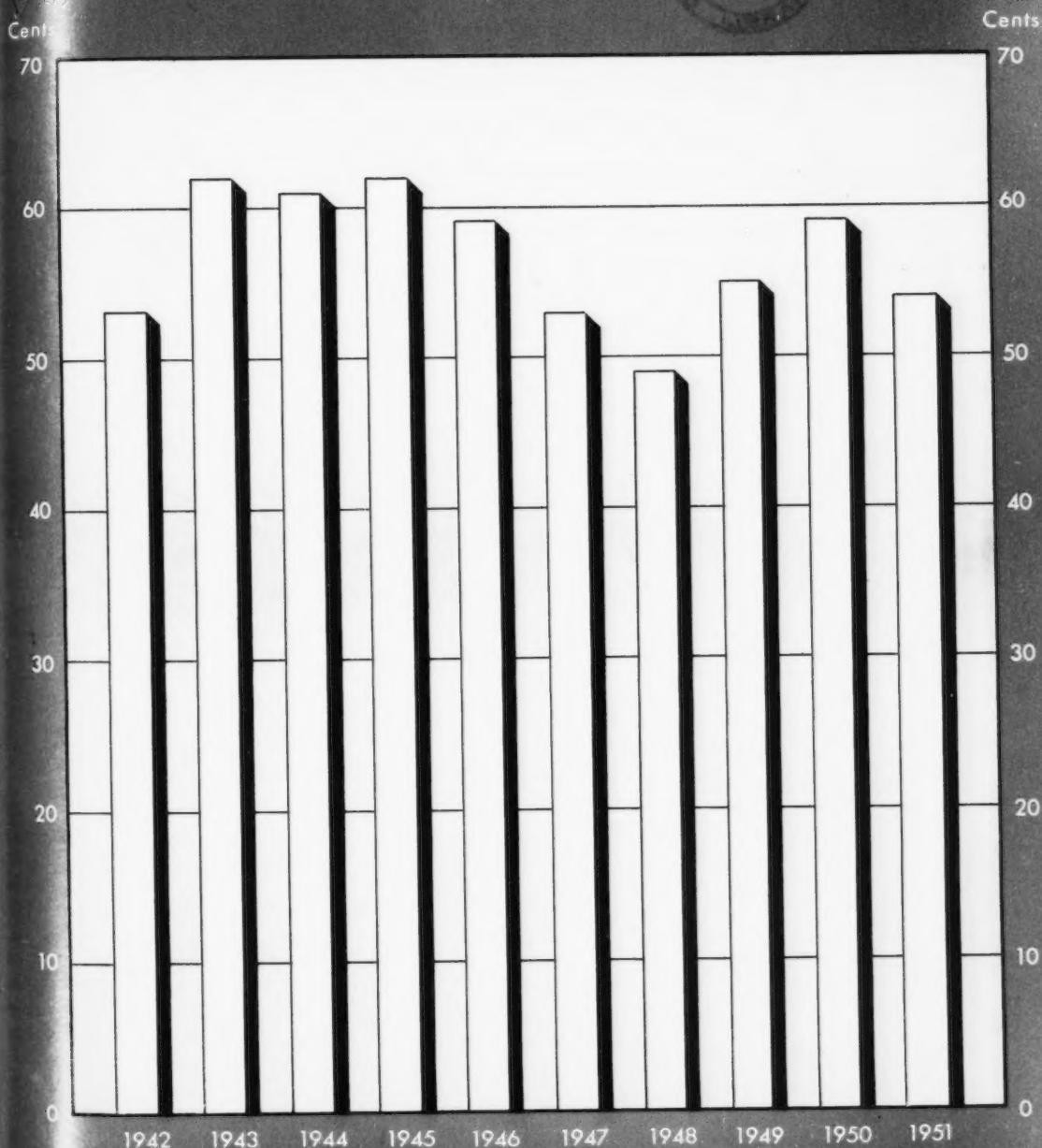


PRE-CONVENTION OUTLOOK ISSUE

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

SEPTEMBER 1952



NET PROFITS AFTER INCOME TAXES PER \$100 OF TOTAL ASSETS OF ALL INSURED COMMERCIAL BANKS — SEE BANK EARNINGS PROSPECTS, PAGE 36

NO

ACCIDENT EXPECTED



No accidents are expected in thousands of plants throughout the country. But, just the same, employees take safety measures—like wearing goggles—as a matter of course.

The same reasoning applies when a banker makes a loan on inventory. He doesn't expect any change in the borrower's circumstances or he wouldn't approve the loan. But—just the same—it's reassuring to know that,

whatever happens, the money he lends is doubly protected—by the integrity of the borrower and by the field warehouse receipts which the bank holds in its vault.

Whenever there is inventory to be financed, Douglas-Guardian welcomes the opportunity to work with you and your customers. For complete information write our nearest office.

YOU MAKE THE LOANS—WE'LL MAKE THEM SAFE
DOUGLAS-GUARDIAN
 WAREHOUSE CORPORATION



"THE BANKERS' FIELD WAREHOUSE COMPANY"

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 MARION, Ind., P.O. Box 742
 GRAND RAPIDS, Mich., 1368 Walsh St., S.E.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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Managing your money properly is important, too

Starting a checking account for young people gives them extracurricular instruction valuable in later years. And if the checks they write are lithographed on La Monte Safety Papers they will absorb a respect for fine quality. The choice of La Monte safety and La Monte quality by thousands of banks suggests these check papers are well worth investigating. You may obtain samples from your lithographer or we'll gladly send them direct.



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THE WAVY LINES ® ARE A LA MONTE TRADE-MARK

Just a Minute

September 28-October 1

THE dates, as you know, bound the 78th annual convention of the American Bankers Association. The place is Atlantic City.

Registration will be large—above 6,000, it's estimated—but A.B.A. officials have taken particular note of the fact that approximately 2,500 banks are being represented. This is more than twice the number that sent delegates to the last annual meeting at the seaside resort along the Jersey Coast.

The Association's president, C. FRANCIS COCKE, president of The First National Exchange Bank of Roanoke, Roanoke, Virginia, and his associates in the A.B.A. official family have prepared an extensive, interest-packed program covering the varied services and problems of 1952

banking. The cooperating committee of New Jersey bankers and the numerous convention committees have been working for many weeks at their assignments; getting ready for so large a meeting is indeed a big job.

The Philadelphia Clearing House Association is making an important contribution, too: it's host at a concert by the Philadelphia Orchestra on the eve of the first general session.

Outlook Issue

CONTINUING an old custom, we key this pre-convention issue to the outlook for the banking business in the year ahead.

This bit of crystal gazing includes a glance at the prospects for bank earnings. Our expert outlookers also give you their opinions on what's



CHARLES PHELPS CUSHING

Atlantic City: A view down the beach from a porch on the Central Pier

ahead for instalment and mortgage credit, bank personnel problems, trust business, savings, Government and industrial bonds, Federal legislation, agricultural credit, and last but not least, bank operations.

There are, of course the magazine's usual departments.

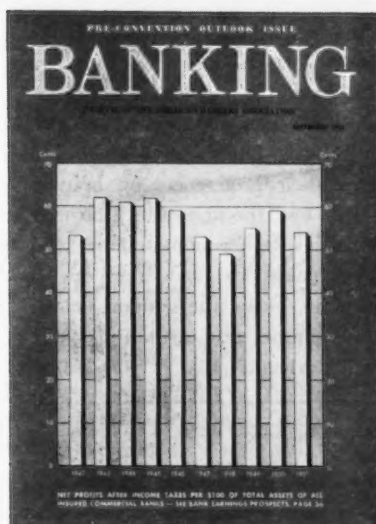
Quite a bill of fare! The editorial staff hopes you'll find the items tasty and satisfying.

Convention Section

FOR those who are particularly interested in the Association's annual

The chart figures show, says James W. Wooster, Jr., in "Bank Earnings" (page 36), that insured commercial banks' net profits have ranged between $\frac{1}{2}$ percent and $\frac{3}{4}$ percent of total assets for the years covered. The statistical data in the chart are from the FDIC's 1951 annual report. The drawing is by

Edward Willmo of New York



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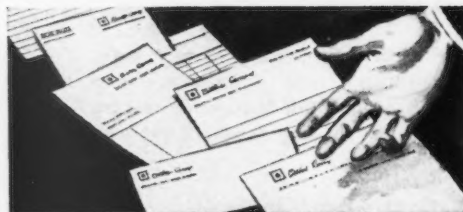
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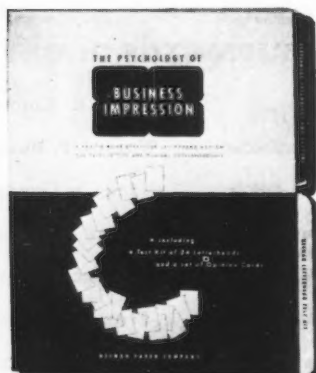
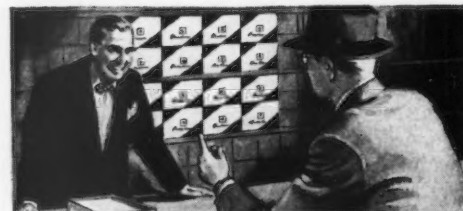
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meeting there's the Convention Section. (Everybody, of course, is invited to inspect it!)

Here you'll find the leaders of the A.B.A. official family (pictured), the convention program, stories about Atlantic City (past and present), previous Association meetings there, and a guide to the educational displays of bank equipment and services.

Also, GRAHAM HUNTER and DICK ERICSON bespeak your chuckles with two cartoon features.

The Cold War

THE outlook is so largely shaped by the question of war or peace (or a little of both) that JAMES BURNHAM's article "How Long Will the Cold War Last?" is a good takeoff point for this issue of BANKING.

MR. BURNHAM, author of *The Managerial Revolution* and other books, briefly analyzes the origin and nature of our differences with Russia and then turns to the question posed in the title of his discussion. In the first place, he says, "we may be reasonably certain that the Cold War is not going to change suddenly into total peace." Thus "rearmament and foreign aid and peripheral fighting and the psychological and economic maneuvers on the international arena . . . will continue." Furthermore, it is unlikely that the situation will be greatly affected by the election; "the new President will find himself faced

(CONTINUED ON PAGE 6)

"I lay awake last night figuring how to send those trend lines up again, only to find out that the charts are tacked up sideways"



BANKING



"Good Place to Work"

Telephone people know from their experience over many years that the telephone company is "a good place to work."

Wages are good, with regular, progression raises. There is a complete Benefit and Pension Plan with all costs paid by the company.

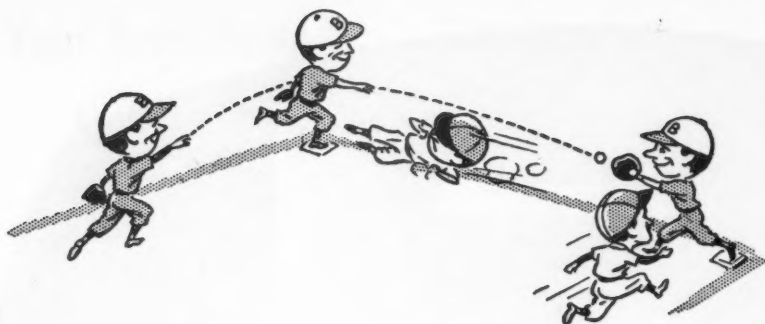
The work is interesting, with many opportunities for advancement. Last year,

for instance, more than 45,000 Bell Telephone men and women were promoted to higher jobs.

Telephone people have found respect and opportunity in the business. They've found pleasant associates and fair play; significantly, about one out of every four new employees is recommended by a present employee.

BELL TELEPHONE SYSTEM





from **BONDING**
to **BANKING**
to **BUSINESS**

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Modern business technique makes possible the general enjoyment of consumer products which would be luxuries anywhere else on earth. Modern banking helps provide the financial fuel that keeps the wheels of industry turning. And bonding and insurance services constitute a protection for the banks against the losses that result from those latent weaknesses of human nature which nobody can foresee.

We Americans are fortunate in having the three B's on *our* team!

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AVIATION INSURANCE THROUGH UNITED STATES AVIATION UNDERWRITERS, INC.



(CONTINUED FROM PAGE 4)
with the same world situation as his predecessor."

Mr. BURNHAM believes there is no firm answer as to whether the cold war will develop into total war. "From present indications we can agree that general war is not probable for the immediate future, though a danger zone will be reached by the latter part of next year."

However, "if we allow ourselves to be rotted from within, and if we give up those values and traditions of liberty which constitute our historical roots, then in the end Moscow and its agents will doubtless take us over without atom bombs.

"If, on the other hand, we prove equal to our world responsibility and if we offer a firm and hopeful leadership, we may find that the peoples and nations now enslaved by the Communists will themselves, with our moral backing, be able to drive out their own tyrants, and to put in their place new men with whom we and the world can live in mutual prosperity and peace."

"Time to Get Mad"

"WHEN you realize," says the Kanabec State Bank of Mora, Minnesota, in a "summer message" accompanying the midyear condition statement, "that the Federal Government today employs 2,500,000 people at a cost of more than \$666,-

(CONTINUED ON PAGE 11)

"Maybe you did earn all of your spending money when you were a boy. In those days you didn't have to earn so much!"



BANKING

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the most useful development
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Correspondents, and Attorney
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Citiz. & Sou. N.B., Atlanta
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Paul W. Schert
J. B. Simmons

Loans & Dis.
U. S. Sec.
State & M. Bds.
Cash & Exch.
Bk. Bldg., etc.
Oth. Assets
Total

Statement of December 31, 1951

2,081,529	Capital	100,000
1,303,889	Surplus	150,000
906,119	Und. Prof.	38,193
1,525,295	Reserves	82,094
25,526	Dmd. Dep.	4,803,053
16,234	Time Dep.	885,262
5,858,602	Total	5,858,602

COVINGTON COUNTY BANK

Phone 898
Estab. 1947—State
Member FDIC ABA Ala.BA
Par \$100—Div. 6%

Officers:
Charles Dixon, Pres.
J. S. Herlong, Exec. V.P.
L. R. Deal, Cash.
Mrs. Leila M. Holmes, A.C.
Cust: Ralph Clark

Correspondents:
First Nat. Bk., Birm.
First Nat. Bk., Montg.
First Nat. Bk., Opp.
Louisiana B. & T. Co., N.O.
Citiz. & Sou. N.B., Atlanta

Directors:
J. F. Colquett
F. L. Darby
L. R. Deal
Chas. Dixon
Solon Dixon
J. S. Herlong
A. C. Wilder Sr.

STATEMENT OF DECEMBER 31, 1951

685,390	Capital	100,000
485,538	Surplus	80,000
27,247	Und. Prof.	27,508
424,159	Reserves	14,928
30,813	Dmd. Dep.	1,248,908
5,147	Time Dep.	174,251
	Oth. Liab.	6,000
1,618,294	Total	1,618,294

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If you have not reserved a copy, place your order NOW, for the September 1952 Edition..

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BANK executives are hailing the revolutionary *Pittecomatic Doorway* as the finest in automatic operation. It is meeting with widespread acceptance, too, because a *Pittecomatic Doorway* also adds to the attractiveness of any type bank building; it stamps the bank as progressive; improves the beauty of the exterior, as well as the interior. And its magic-like operation—a touch opens the door either from inside or out—pleases bank customers, attracts new accounts.

Why not investigate what a *Pittecomatic Doorway* can do for your bank building? Discuss the *Pittecomatic* with your architect. He is fully informed on its many advantages. Meanwhile, fill in and return the coupon at right for complete information. There is no obligation.

**PITTCOMATIC—the nation's finest
 automatic door opener**



PAINTS • GLASS • CHEMICALS • BRUSHES • PLASTICS

PITTSBURGH PLATE GLASS COMPANY

**What bankers say
 about Pittecomatic Doorways**

"We feel that these doors are not only attractive, but they add considerably to our list of new accounts . . ." D. W. Hogan, President, City National Bank and Trust Company, Oklahoma City, Oklahoma.

"Happy to tell you plate glass door with the automatic openers are working fine . . . they give people the impression that their bank is up-to-date." L. D. Lacy, President, Central State Bank, Oklahoma City, Okla.

—RETURN THIS COUPON FOR COMPLETE DETAILS—

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 Room 2108, 632 Duquesne Way, Pittsburgh 22, Pa.

Without obligation, please send me complete information on the Pittecomatic Doorway.

Name.....

Address.....

City.....State.....

(CONTINUED FROM PAGE 6)

000,000 a month; that one of every five citizens receives some form of income from the Government; that \$1 out of every \$4 we earn goes for taxes to support the Federal Government and that about \$1 out of every \$10 is being wasted, its time to get mad.

"We have 29 Federal agencies lending money, 28 handling welfare projects, 16 in wildlife preservation, and 50 compiling statistics.

"One agency has enough light bulbs to last 93 years, and another enough loose leaf binders to last 247 years. One bureau has 24 supervisors for every 25 employees.

"You, Mr. and Mrs. Taxpayer, are paying for all this. What, if anything, are you going to do about it?"

A Simpler Bible

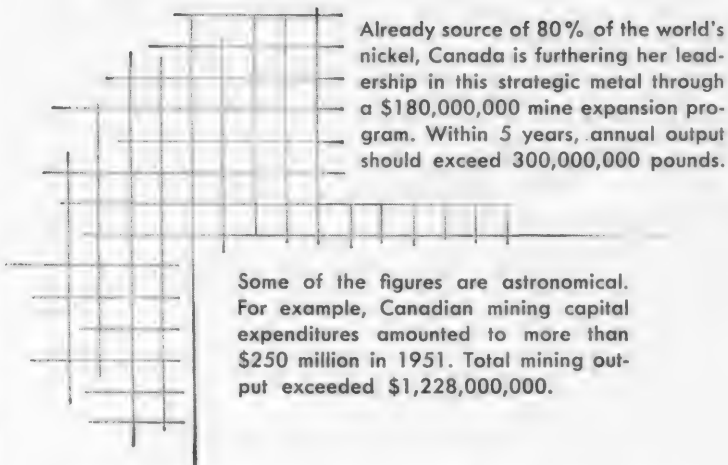
BANKING is informed that numerous bankers are on various committees which are arranging nationwide observance of the publication of the Revised Standard Version of the Holy Bible on September 30 when the first printing of nearly 1,000,000 copies will be offered.

Members of nearly 100 Protestant and Orthodox denominations in the U.S.A., Canada, and Hawaii, says the National Council of the Churches of Christ in America, will participate in the celebration, marking completion of the first authorized revision of the Bible in 50 years. Scholars, says the Council, describe the Revised Standard Version as "a simpler, more understandable, more accurate version which will give the people the real meaning of the Scriptures

"So I said to this fellow from the Treasury Department: 'We've got to keep some money on hand to cash checks!'"



Big Things are Happening in Canada!



Already source of 80% of the world's nickel, Canada is furthering her leadership in this strategic metal through a \$180,000,000 mine expansion program. Within 5 years, annual output should exceed 300,000,000 pounds.

Some of the figures are astronomical. For example, Canadian mining capital expenditures amounted to more than \$250 million in 1951. Total mining output exceeded \$1,228,000,000.

Through its more than 700 branches from East Coast to West Coast, The Royal Bank of Canada knows Canada... is thoroughly familiar with all phases of Canadian business. For American banks and business firms active north of the border, it offers complete banking facilities, a source of information, and many other services outside the realm of routine banking. May we serve you?

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WIDE
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STRONG

Fill the need in those sections where it is the practice to wrap \$20.00 in halves instead of the customary \$10.00 quantity. They're extra WIDE and strong for wrapping all of the standard quantities of coins in regular packages. Double size package for halves. 1000 to a box. Tapered or gummed edges.

SEND FOR FREE SAMPLE

SPEED UP
COIN COUNTING
with

STEEL STRONG
manual
COIN COUNTER

Push Tubular wrapper up from the bottom. Count coins into hopper, close open ends. Saves time in packaging all coins. Stems of Bakelite in 5 sizes.

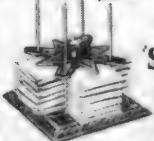


STEEL STRONG
TELLER'S MOISTENER



SPONGE FOR FINGERS
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USE A
STEEL STRONG
CURRENCY
RACK

... and CASH CHECKS QUICKER

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SEE YOUR DEALER

The C. L. DOWNEY CO.
HANNIBAL, MO.

while maintaining the classic beauty of the beloved King James Version."

Three thousand communities will take part in the celebration. Banks that wish to participate in the observance can obtain lobby and window displays from local Bible Observance committees.

It Was Handy, But . . .

"JULIUS MADKIN," said an Associated Press dispatch from Los Angeles, "is tired of telephone directories. He leafed through a pile of 10,000 of them yesterday and finally found what he was looking for."

"On Saturday he turned in his old directory and received a new one from a delivery man for the Pacific Telephone & Telegraph Company. Later he remembered that he had stuffed two \$50 bills in the old directory for safe keeping. At the telephone company office it took him several hours of leafing, but he finally found his money."

Getting Out the Vote

THE American Heritage Foundation offers some figures to show how a well-directed local "Get Out the Vote" campaign can change the voting habits of population groups, including bankers.

A survey made in Syracuse, New York, immediately after the 1949 elections showed that substantial proportions of business and professional people failed to cast their ballots. Because of these results an unusual effort was made in that city to get out the vote the next year.

After the 1950 election another survey was made. It revealed that only one out of eight had failed to vote, contrasted with one out of three in 1949. Here are the comparative figures:

Group	Failed to Vote	
	1949	1950
Automobile dealers	44%	20%
Doctors	28 "	15 "
Bankers	28 "	14 "
Public school teachers	23 "	12 "
Real estate dealers	38 "	22 "
Rotary club	33 "	13 "
Monarch club	32 "	7 "
Kiwanis club	40 "	18 "
Advertising & sales club	37 "	18 "
Junior Chamber of Commerce	44 "	13 "
Scottish Rite club	44 "	13 "
Lawyers	32 "	12 "
Dentists	32 "	9 "

Elsewhere in this issue of BANKING is a further report on the Foundation's campaign to encourage registration and voting in 1952.

When the Central National Bank of Cleveland opened its new Cedar-Center office, Miss Harriet Adler was the first motorist to use the drive-in teller's window. Her niece and nephew, Scott and Marilyn Cockrell, aged five and three, were much interested in the transaction, completed by means of a two-way amplifying unit. Central National now has 15 offices

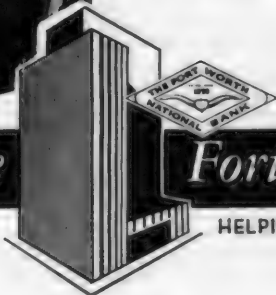
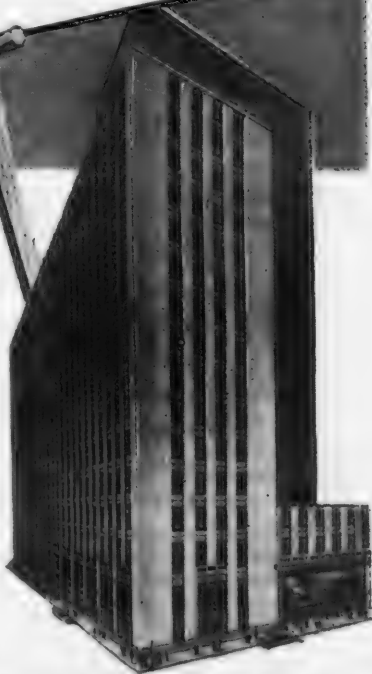


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To You
To Visit the New Quarters
and Office Building of
The Fort Worth National Bank*

MAIN & HOUSTON STREETS
AT SEVENTH

FORT WORTH
TEXAS

As always, it is a real pleasure to have our banker friends across the nation drop in for a visit. Now that our new office building and banking quarters have been completed and occupied, we hope you will accept our standing invitation to inspect our new home. We are looking forward to seeing you.



The

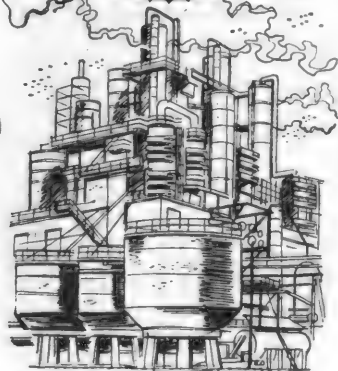
Fort Worth National Bank

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

HELPING BUILD A GREATER FORT WORTH AND SOUTHWEST

When you think of CHEMICALS . . .

Think of
**PEOPLES
FIRST**



America can be proud of its chemical industry! In relatively short time, it has become a \$50 billion business—and is still growing at a phenomenal rate. Here is an industry so vigorous that it profitably invests an average of \$29,000 for each worker . . . almost four times the \$7,700-per-worker average investment of all industry . . . and continually develops new products to serve mankind. The importance of chemicals is universally recognized—the nation can be grateful for the strength and progressiveness of its chemical industry.

Peoples First National has acquired extensive experience in serving the chemical industry. This knowledge and our widespread contacts in the industry are frequently of value to Correspondents. If you're considering a Pittsburgh Correspondent, we will welcome the opportunity of presenting the facts about our comprehensive services.

PEOPLES FIRST NATIONAL

BANK & TRUST COMPANY

Correspondent Bank Department

P. O. Box 506, Pittsburgh 30, Pa.

Member Bank Wire

Member Federal Deposit Insurance Corporation



LIKE a minister or a doctor, a banker is often expected to carry a crying towel around for the benefit of those who seek him with their various problems. In the course of years, in accordance with his own individual disposition, the banker develops one of two theories—that everyone except bankers has difficulties or that no one except bankers has real troubles.

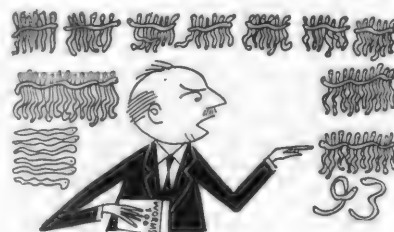
Some time ago, a banker received a letter from a banker in another state, complaining that a customer of his had not been treated satisfactorily during his stay at a fishing camp near the home town of the recipient.

The fishing camp owner remembered the complainer—O, how he remembered him!

"He came in with a chip on his shoulder, and it stayed there all the time he was here," he declared. "First thing he said was that he was Scotch, and didn't propose to pay for a thing he didn't get. He rented a cottage on the weekly basis at the low summer rates. Renting by the week entitled him to the use of a rowboat for five days of his stay free.

"Then he bought a carton of worms for bait. They sell at 100 for 75 cents. Bless Pat, if he didn't sit right down and count them, one by one. He said there were only 93, instead of a hundred, and he made such a fuss about being gypped that I cut the price to 40 cents.

"Then he rented a 'kicker' for a half day's fishing. The next morning he said he didn't want it any more and I was about to take it off



the boat, but he said he was in a hurry to get out on the lake and it would be all right to leave it on till he came in at night. He rowed out into the lake and as soon as he was out of sight he started the motor going and used it all morning. After he got inside the canal leading to the camp, he cut it off and rowed in, and then complained about what hard work he had rowing with the motor dragging the boat down. He used the rowboat for four of the five free days and then checked out before his week was up, paying the daily rate, but ignoring the rent of the boat which was free only to guests of a week or longer.

"And I forgot to tell you—the first morning he was in camp, like I always do, I sent a copy of the morning paper and a basket of grapefruit and oranges down to his cottage. The boy had hardly gotten back to the house when here comes that confounded Scotchman, hot on his heels, with the paper and basket in his hands. 'I never ordered any paper or any fruit!' he yells, 'and I am certainly not going to pay for them!'

"Well, I calmed him down by telling him it was just a little courtesy from the camp and I hoped he would accept the paper and fruit as gifts. He was entirely willing to do that, and became quite talkative. He told me about staying at a very high-



class place a few nights before where the rates were very steep. 'But I got even,' he said, 'they had a cocktail party for their guests in the afternoon, and I managed to drink enough of that free liquor to put me way ahead on the deal.'

"Then, another thing—he never bought a nonresident fishing license, and when I mentioned it, he said, 'What business is that of yours?'

In his capacity as judge and jury, the banker wrote "case not proven" on the letter of the Scotchman's banker, and reflected comfortably on his comparatively care-free status in the banking business.

BELLE S. HAMILTON.



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WILL CREATE MANY NEW INVESTMENT OPPORTUNITIES**

Here is the right product at the right price to appeal to thousands of home-seekers. Nationally advertised in leading magazines and newspapers to sell for less than \$10,000.* Like all National Homes, it represents many sound investment opportunities for forward-looking financial institutions.



* This house is built complete and ready for occupancy on an insulated concrete floor. Cost of lot is not included. Wood floors, with or without basement, may be had at slight additional cost. Will be shown at dealers' open houses in many cities during National Home Week, September 14-21.

**NATION'S LARGEST PRODUCERS OF
QUALITY HOMES AT THRIFT PRICES**

QUESTION: What Have We Learned

Goodwill, Complexity, and the Meanings of Independence

HENRY C. MURPHY

Dr. Murphy, who was economist of the Patman Committee, is chief of the Finance Division of the International Monetary Fund's Research Department

THE Joint Committee on the Economic Report is not a legislative committee; it is not a committee whose hearings and reports of today bear quick fruit in the bills and acts of tomorrow. Its function is, rather, that of providing perspective to assist the legislative committees in making sound decisions.

It was in this spirit that the credit hearings were conceived. Their scope was broad. They have added greatly to our information and understanding of the significance of changes in the cost and availability of credit and how these changes affect prices and employment, of the meaning and function of bank reserve requirements, and of the place of the Federal Reserve System in the economy. Few of the seeds sown by the inquiry will germinate quickly. But many persons have taken an inventory of their ideas, many minds have been redirected into new channels, and, over the years to come, the hearings will result in better legislation, better credit policy, and better banking.

To my mind, three points stand out among the large number of technical matters on which our information has been improved and our thinking stimulated.

The first of these points is the spirit in which the hearings were conducted. This spirit assured the most skeptical of the existence of vast reservoirs of goodwill in bank-

ing, in government, and among academic economists. The disposition to seek solutions of our problems by mutual discussion revealed in the hearings is heartening in a world threatened with disaster by intolerant clashes of extremists of the right and extremists of the left.

Second, the hearings showed us the complexity of the considerations bearing on monetary policy. The monetary authorities must seek, as best they can, to achieve a number of sometimes partially conflicting objectives. It is easy to berate them for not taking action (or vice versa) when the "right thing to do" seems so clear from a particular point of view. It is another thing to place ourselves in their position and give

appropriate weight to all of the many points of view which must be considered. Things sometimes look different when viewed from posts of responsibility. The hearings have shown us many of the difficulties confronting the monetary authorities and some of the techniques of combining the objectives of price stability and high-level employment and, at the same time, financing the Federal Government in peace and in war.

Third, the hearings have shown us that the phrase "independence of the Federal Reserve System" can mean many things—independence from the financial community, independence from Congress, independence from the Chief Executive—and that none of these types of independence is either good or bad in itself but is of significance only as it contributes to the formulation and acceptance of a sound over-all economic policy. Conflicting economic policies by different branches of the Government may be worse than none at all. The purpose of giving the Federal Reserve System a high degree of independence is not to permit it to play a game of solitaire in the determination of economic policy; it is to increase its influence while it continues to play the game with others. By giving the Federal Reserve good cards, we increase its influence on over-all policy. And, in the final analysis, it is good over-all policy which we are seeking, not the independence of any agency.

Henry C. Murphy



from the Credit Hearings?

"... Not Much Clarification of Desirable Policy"

THE Patman subcommittee hearings, coming as a sequel to the earlier Douglas subcommittee hearings on monetary policy, produced clear evidence of the extent to which our monetary system can promote an inflation and not very much agreement on how far we should go to stop such inflations.

The vote of the subcommittee on the issue of "independence" of the central bank was a split, 3 to 2, with the majority pointing out that the higher directive for monetary and credit policy is lodged in the Employment Act of 1946, particularly in the preamble to that act. Monetary policy, in the view of this small majority (within which the decisive vote was that of Senator Ralph Flanders, formerly president of the Federal Reserve Bank of Boston) is to be geared in that way which will promote "high productive employment." Monetary policy, the subcommittee said, is not to be independent by itself, for its own sake.

Thus the outcome of the hearings has been neither a victory for those who would support the independence of the Federal Reserve System nor for those who would give the President and the Treasury the ultimate power over credit policies.

What we have learned from the hearings is that we have established in the minds of important members of Congress and the Administration that central banks *can* enlarge reserves of the banks and that the banks can enlarge the total supply of credit. This is not a new lesson, but it was explained to such authorities as the chairman of the President's Economic Advisory Council. Senator Paul Douglas showed that since Korea bank loans had expanded by about 17 percent and wholesale prices risen by the same amount. The increase in the velocity

ARTHUR UPGREN

Mr. Upgren is Professor of Economics at the University of Minnesota, economic consultant for the Minneapolis *Star and Tribune*, and former vice-president and economist of the Federal Reserve Bank of Minneapolis. He was on the American delegation to the Bretton Woods International Monetary Conference

of circulation had accommodated the rise in physical volume of business.

As one who attended and reported the earlier sessions of these hearings, the writer also learned that the privilege of "revising" remarks was used to death by the witness who most stubbornly and reluctantly obstructed the line of reasoning developed by Senator Douglas.

This witness, the chairman of the Economic Advisory Council, made such extensive emendations and revisions in his recorded oral testimony as now reported in the printed hearings as to compel this criticism of a courtesy which is coming to destroy the value of such hearings. The committee members themselves have a responsibility in this matter which must be of grave concern to

themselves. Unless something tolerably close to the record is demanded in what purports to be the record, the educative value of such hearings is going to be nullified and become mis-education.

The plain fact is that the hearings made clear the processes of credit inflation and yet produced no general consensus that that process should be under the control of the central bank authorities.

Thus the subcommittee reflected the indecision which has prevailed for seven years now among students of monetary policy. After an honorable history of effectiveness for 250 years, the inability of monetary processes to promote economic expansion in the 1930's produced doubt that monetary policy can be effective under those conditions where it has always been effective. That is, not in a mere increase in interest rates but in restricting the availability of credit.

The support price policy for Government securities threw into the laps of the nonbanking public, especially nonbanking institutional holders of Government bonds, the control of the supply of money. That is one of the irrational and nonresponsible places to lodge control over the money supply, or, more accurately, the nation's basic bank reserves.

Initiative rather should rest with the informed central banking authorities if they will but retain and use it and not divest themselves voluntarily and too easily as was done in the years after 1945.

The new hearings have not produced much clarification of desirable policy. They are another step in the establishment of the importance of full employment of control powers as the main objective of central banking authorities.

Arthur Upgren





A MARK of lost accuracy

Precision metal parts can lose some of their precision as a result of an ordinary fingerprint. The moisture and acid corrode the polished surface, interfere with smooth operation.

Gulf's new fingerprint remover eliminates this cause of lost accuracy in precision-built mechanisms.

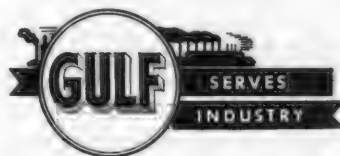
Called Gulf No-Rust FPR, it displaces fingerprint moisture on metal, neutralizes perspiration

acid, and lays down a temporary rust-preventive film.

It helps safeguard such precision parts as ball bearings and gears for aircraft instruments, for example.

Gulf No-Rust FPR is typical of the many new and improved products developed by Gulf's modern research program to help industry step up production and reduce cost. This kind of leadership is an

important factor in the industry-wide recognition of quality in Gulf products and dependability in Gulf service.



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Coins at Convention

THE Bank Building and Equipment Corporation of America will have its \$10,000 coin collection on display for the first time for the American Bankers Association convention in Atlantic City.

The collection, entitled "Evolution of the Silver Dollar," is limited to silver dollar-size coins, and dates back to the first coin struck, the extremely rare 1486 Tyrol. It traces the evolution of the monetary unit

through some of the most dramatic events in history, including the campaigns of Napoleon, the Renaissance, the Reformation, pirating on the high seas, the French and American revolutions, and many other highlights in history.

One coin, a 1652 Peru, features the two pillars of Hercules and the figure eight on its face. From this, our colonists are said to have derived the dollar sign (\$). This coin,

better known as a "Piece of Eight," was looted and plundered by pirates on the Atlantic Main, and buried by the thousands all the way from the West Indies north to Hudson's Bay. It is estimated that thousands of dollars worth of these coins still lie buried in Floridian sands. A professional American treasure hunter recently extricated eight of these coins, worth \$1,200, from a tiny island in the Bay of Fundy. He followed a map drawn in the early 1700's by the notorious pirate, Edward Low.

Another romantic piece in the collections is the 1793 France, struck by the French Commune during the height of the revolution. In this year, the revolutionists massacred an estimated 20,000 people, many of them innocent, in what is believed to be one of the bloodiest coups the world has ever witnessed. This coin was ordered struck by the infamous Robespierre, leader of the Paris Commune.

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To banks having business in the rapidly growing trade area of Western Virginia and Southern West Virginia, we offer friendly counsel plus fast and efficient correspondent service.



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C. FRANCIS COCKE, *President*

Member Federal Deposit Insurance Corporation



A 1795 United States coin, struck during Washington's second term as President. Prior to the issue of this series, the Spanish (or Peruvian) piece of eight, below, was used as the monetary unit in the colonies.



"Register and Vote"

THE "Register and Vote" campaign of the American Heritage Foundation was described briefly in July **BANKING** (beginning on page 11). Since that story was written, the Foundation has begun the issuance of an *Action Bulletin*, "to serve as a clearinghouse, supplying cooperating organizations and individuals with useful data on the latest methods and action materials."

A 28-page *Register and Vote Campaign Guide*, prepared by the Foundation and The Advertising Council, gives background information for the campaign, advertising material for all media, and practical suggestions.

Between now and November all types of media will be used—from newspaper and magazine advertisements to matchbooks and handbills. Thousands of 24-sheet outdoor posters are now being placed, and 100,000 car cards will be used in September to urge citizens to register, learn the issues, and vote—the three phases of the campaign.

The Foundation's *How-to-Do-It Bulletin* is available in quantities at cost from its headquarters at 25 West 45th Street, New York 16.

TV and radio materials are being sent to stations throughout the country. There will be spot announcements, five-minute messages featuring the voices of prominent citizens, and films for use on TV.

Newsreel and theater lobby displays will be furnished by the motion picture industry.

The goal of the Foundation's campaign is to bring 63,000,000 voters to the polls in November—15,000,000 more than four years ago—and to place 30,000,000 unregistered citizens on the voting rolls.

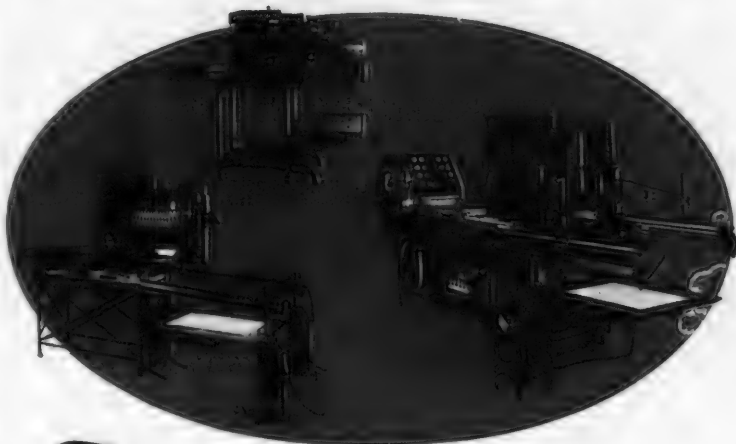
A campaign sticker



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*This department is compiled by
THEODORE FISCHER of BANKING'S
staff.*

Management Excellence Award for National City

THE NATIONAL CITY BANK OF NEW YORK has been commended by the American Institute of Management for achievements in executive development, public relations, extension of personal credit, and the promotion of new business.

The Institute is a nonprofit foundation devoted to improvement of corporate organization and practices, which annually awards certificates of management excellence.

National City Bank received certificates for 1950 and 1952. This year it received 9,020 points out of a possible 10,000 in the appraisal.

LAMMOT DUPONT, JR., is now assistant vice-president of Wilmington (Delaware) Trust Company.

MARVIN L. GOSNEY, executive vice-president of Sinclair Oil Corporation and Sinclair Refining Company, has been elected a trustee of Immigrant Industrial Savings Bank, New York.

DR. SARA GIBSON BLANDING, president of Vassar College, has been appointed to the advisory board of the Vassar branch of the First National Bank of Poughkeepsie, New York.

MARION HARPER, JR., president of McCANN-ERICKSON, INC., has been named a member of the advisory board of the Fifth Avenue office of Manufacturers Trust Company, New York.

Heard Along



L. K. Bye



G. R. Dorman



J. H. McConnell



P. A. Strack

LOUIS K. BYE, an executive of Sears, Roebuck and Co., was elected a director of Peoples National Bank of Washington, Seattle.

GERALD R. DORMAN, Deputy Superintendent of Banks of the State of New York, in charge of savings banks, has been elected executive vice-president of Bushwick Savings Bank, Brooklyn, assuming the new post on September 16.

T. CLAYTON PARSONS, executive vice-president and cashier of the Bank of Ripley, West Virginia, has received the honorary title of State Farmer from the West Virginia Association of Future Farmers of America. He was honored for his interest in and active support of vocational agriculture and the Future Farmers.

FRANCIS W. WHITE, president of American Woolen Company, has been elected to the board of National Shawmut Bank, Boston.

JOSEPH H. MCCONNELL, president of the National Broadcasting Company, has been elected a trustee of The Hanover Bank, New York.

PHILIP A. STRACK, chairman of the executive committee of Peoples National Bank of Washington, Seattle, has been elected president of the Seattle Chamber of Commerce. He is president of the Seattle Clearing House Association and past president of the Washington Bankers Association.

Recent promotions at the Security-First National Bank of Los Angeles include: CHARLES W. SMITH, vice-president, trust department; THEO W. PERINE, trust real estate officer; ALBERT C. DICK, assistant trust real estate officer; MARSHALL HOLDEN, corporate trust officer and assistant secretary; JOHN J. LOBAS, assistant corporate trust officer; GEORGE H. KLUMP, THACHER S. BALCH, and ASA B. CARMICHAEL, assistant trust investment officers; EARLE DAVIS, assistant vice-president, GORDON HARTSFIELD, assistant cashier, central loan department; H. BARTON AIKMAN, DON G. HOUSEMAN, assistant branch managers.

Woman Banker Honored

FLORENCE A. RONALDSON, assistant vice-president in the West Hempstead (New York) office of the Meadow Brook National Bank, was honored by her community at a testimonial dinner. The affair was sponsored by the West Hempstead Board of Trade to honor Mrs. Ronaldson on completion of 25 years of service to her bank and community. The dinner was held on the eve of the 25th anniversary of the bank.



Thomas C. Boushall, right, president of The Bank of Virginia, cuts the 90-pound cake at the 30th anniversary of the founding of the bank in Richmond. The cake simulated the bank's building. Watching are two other members of the original staff: Luke H. Fairbank, left, vice-president, and Philip Woolcott, center, now president of The Bank of Asheville, N. C.

Main Street

The FIRST NATIONAL BANK OF ERIE, Pennsylvania, is celebrating its 100th anniversary. The festivities began with an open house at the newly remodeled main office of the bank, with members of the staff dressed in costumes of 1852 vintage. An anniversary dinner was held for all employees and officers of the bank with their wives and husbands. FRANK M. TOTTEN, vice-president of the Chase National Bank, New York, was the principal speaker.

MILES POINDEXTER, II, has been named trust officer of American National Bank and Trust Company, Danville, Virginia. WILLIAM J. BLAIR, JR., was made assistant trust officer. MR. POINDEXTER is a graduate (1952) of The Graduate School of Banking and has been named a member of the School's board of regents.

JOHN HILDT, for the past six years with the Bank of New York, has joined the National City Bank of Cleveland as a vice-president in the banking department.

ROBERT G. GOELET has been elected to the board of directors of Chemical Bank & Trust Company, New York. He is vice-president of Goelet Realty Company and a director of City Investing Company, both of New York.

F. R. ALVORD has advanced to senior vice-president of Citizens National Trust & Savings Bank of Los Angeles. For many years he was a member of the executive council of the California Bankers Association and has been active in the A.B.A.

F. R. Alvord



R. G. Goelet



EDWARD L. BLAINE, JR., vice-president and director of Peoples National Bank of Washington, Seattle, has been chosen Neptune Rex III to rule over Seattle's Centennial Seafair, one of the events in Seattle's centennial year celebration. MR. BLAINE also was recently elected president of the World Affairs Council of Seattle, and is a past president of both the Seattle Association of Credit Men and the National Association of Credit Men.

Green Joins College

C. WILLIAM GREEN, heretofore vice-president of the Franklin National Bank, Franklin Square, New York, has been named vice-president in charge of development and industrial relations of Adelphi College, Garden City, New York.

MR. GREEN is a former director of the Public Relations Council of the American Bankers Association and prior to that was a member of the national staff of the Committee for Economic Development. He has been a visiting lecturer at The Graduate School of Banking and the New York State Bankers School of Public Relations and Business Development.

GILBERT H. SCRIBNER, Chicago realtor, has been named a director of the First National Bank of Chicago to fill the vacancy occasioned by the death of AUGUSTUS A. CARPENTER, who had been a director for many years.

At the Citizens and Southern National Bank, Atlanta, KING CLEVELAND was elected assistant trust officer; TRAVIS F. STARR, assistant cashier.

The County Trust Company, White Plains, New York, announces these promotions: Vice-president, JOHN J. IRISH; assistant secretary, HARRY W. BAUM and WALTER G. KORNTHUEUR; assistant treasurer, MARTIN MILLER.

AKSEL NIELSEN, president of the Title Guaranty Company, Denver,



E. L. Blaine, Jr.

Colorado, was host to General Dwight D. Eisenhower on the Republican presidential candidate's post-convention vacation. MR. NIELSEN is a past president of the Mortgage Bankers Association of America.

Seattle-First National Bank, Seattle, Washington, has announced these promotions: EDWARD WEST, JR., trust officer; WILLIAM M. POTTER, assistant trust officer; DON F. ROLFE, assistant manager of Yakima Valley branch.

ROBERT A. MARSHALL, who had been on military leave of absence, has returned to The National City Bank of Cleveland, Ohio, as assistant vice-president in charge of branches.

Woman Teller Cited

MRS. TERRY SPIEGL, a teller at the Seventh and Broadway branch of the Bank of America, Los Angeles, received a citation from the chief of police for "outstanding service to the citizens of Los Angeles and this department." She also received a \$500 reward from the bank.

MRS. SPIEGL, an Austrian-born war bride, aided in the capture of a bank robber. When he held her up in the bank and took \$2,679, she pursued him until she attracted the attention of a traffic officer who made the arrest.

(CONTINUED ON PAGE 27)

ANNOUNCING A new practical concept



pt of Drive-in Banking!

Here are just a few of the advantages you get with the new Mosler Electric Drive-in Window at no extra cost!

- ① New "easy reach" convenience for customers.
- ② Full vision for teller and customer.
- ③ New fully automatic "Shuttle" for faster transactions.
- ④ Counterbalanced "Shuttle" lid makes access to deposit receptacle effortless.
- ⑤ Push button operates "Shuttle" which retracts automatically after 15 seconds. Operates manually in case of power failure.
- ⑥ New flush counter gives greater working space and provides practical working area under counter.
- ⑦ Ventilating ducts for warm or cool air make unit comfortable ... prevent frosting.
- ⑧ Convenient right or left-hand cash drawers.
- ⑨ New trouble-free speaker which is movable to suit convenience of operator.
- ⑩ Easier and less expensive to install.



Mosler Flush Type Drive-in Window, No. 950. Gives you all the advantages of the new Bay Type Window, shown on left. Designed for installation where bay projection is not desired.

Electric push-button revolutionizes operation and at no extra cost.

YOU'RE looking at the newest, most advanced electrical drive-in window ever designed ... the *last word* in modern drive-in service from the *first name* in protective equipment. Take a customer's-eye view of it from the *outside*. Notice the new bullet-proof window that enables full vision of all transactions ... the outside speaker ... and the new push-button-controlled "Shuttle" that slides out and in, completing transactions with new speed and safety—at driver's arm-level.

Then, take a look *inside*. Notice the simple control which works at the merest touch of your teller's finger ... the wide, work-easy counter ... movable speaker ... and handy cash drawers. See how all this adds up

to faster, more efficient operation for *your* bank.

It's easy to understand, isn't it, how this new Mosler unit can give you all the *proved* advantages of drive-in banking—and a lot more? For such *convenience* builds even more good will, attracts more new accounts. And such *transaction speed* gives you even greater relief from congestion inside the bank ... even more help in solving parking and traffic problems.

Why wait any longer for that drive-in window *you've* been considering? The new Mosler unit can be installed with *less* expense and *more* speed than ever before. Get the full details right away! Mail the coupon below!

Be sure to see the Mosler Drive-in Window at booths 30 to 33 at the American Bankers' Association Convention September 28 to October 1.

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The **Mosler Safe** *Company*
Since 1848

World's largest builders of safes and bank vaults ... Mosler built the U.S. Gold Storage Vaults at Fort Knox and the famous bank vaults that withstood the Atomic Bomb at Hiroshima

The MOSLER SAFE Company
Dept. B-9, Hamilton, Ohio

Please send me complete information about the new Mosler Electric Drive-in Window.

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NAME OF BANK _____
ADDRESS _____
CITY _____ ZONE _____ STATE _____



2,000 NEW MANUFACTURING CONCERNS IN MICHIGAN

The Directory of Michigan Manufacturers . . . recently published by the Michigan Manufacturer and Financial Record . . . an authoritative monthly magazine of 45 years standing . . . lists 2,000 new manufacturers since the last Directory was issued in 1950 . . .

Making a New State High of 13,000?

The banks of Michigan, with which we are privileged to be associated, have been closely linked with these industrial developments—providing funds for the expansion of established industries, financing for new businesses and industries, and the development of new centers and markets.

NATIONAL BANK OF DETROIT

Complete Banking and Trust Service

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

MAIN STREET—continued

California Bank, Los Angeles, announces the election of five vice-presidents: **GLENN B. GOSSETT**, **F. S. HUBER**, **A. O. OTSEA**, **A. R. PUCHNER** and **GUSTAV RIEDLIN**. New assistant vice-presidents are **G. J. CARTER**, **J. W. FROMM**, **G. J. HOSKIN**, **J. W. KENNEY**, **E. S. LILJEBERG**, **O. G. KEIPER**, **C. F. SCHWAN**, and **L. C. SMALL**. **J. R. VAN DER ZEE** was made assistant cashier.

F. HARRY WAGHORNE has been made assistant vice-president of State Street Trust Company, Boston. **JAMES B. MCKIE**, **LESTER L. BELCHER** and **GARDNER S. TRASK** were elected assistant treasurers.

ALBERT C. BARTLETT has been elected a vice-president of The Bank of Virginia, Richmond. **EDWIN E. MATHEWS** of the Portsmouth office has been made assistant vice-president.

PRENTISS CARNELL, JR., senior trustee of the Albany (New York) Savings Bank, was elected a vice-president.

GLENN G. HOWES is now vice-president of the First National Bank of Fairmont, Minnesota, where he succeeds **DONALD R. GRANGAARD**, now vice-president and cashier of the First National Bank of Austin, Minnesota. Both banks are affiliates of First Bank Stock Corporation.

ROBERT L. KNIGHT has been named vice-president of The Ohio Citizens Trust Company, Toledo. He's a graduate of Rutgers University and of The Graduate School of Banking.

RUSSELL G. SMITH has been appointed a vice-president of The Manhattan Savings Bank, New York, and will be in charge of the FHA and VA Mortgage Department.

R. G. Smith

R. L. Knight



WHEN CARNEGIE INSTITUTION FIRST EYED MT. WILSON



IN 1904—when Carnegie Institution first put a 30-inch telescope atop a mile-high peak near Los Angeles, the name *Mt. Wilson* meant nothing. The small "eye in the sky" attracted scant attention.

That year, we were already acting as Correspondent for other banks. The number served was modest; the demand was not great.

TODAY, Mt. Wilson is world-famed—with astronomer and with layman. Its great 100-inch telescope, long the world's largest, and still second only to the 200-incher on nearby Mt. Palomar, continues to add entries in an unrivaled record of astronomical discovery.

And, today, Security-First National is a Bank of 139 Offices and Branches, serving California from mid-state to Mexico... providing complete, competent Correspondent service for banks throughout America and overseas.

We would be pleased to serve you as Pacific Coast Correspondent. Write: Bank and Customer Relations Department.

RESOURCES OVER 1½ BILLION DOLLARS

MANAGING COMMITTEE

George M. Wallace, Chairman
Chairman Board of Directors

James E. Shelton
President

Chester A. Rude
Chairman Executive Committee

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Vice-President

C. T. Wienke
Vice-President

**SECURITY-FIRST
NATIONAL BANK**
OF LOS ANGELES

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Our finger's on the pulse...

The main traffic arteries of the Delaware Valley are surging with the flow of incoming business and industry.

We at Central-Penn have kept our finger on the pulse of progress since its beginning, measuring and recording each new movement.

If your client should come into this area, why not get in touch with us? Both of you can benefit from banking experience gained by our more than 120 years in Philadelphia.

CENTRAL-PENN NATIONAL BANK OF PHILADELPHIA

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

FAST
COLLECTION
FACILITIES

including
complete
night
transit
operation

The
NATIONAL CITY BANK
of Cleveland

623 Euclid Avenue 1845 Fourth Federal Reserve District

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Valley National Bank, Phoenix, Arizona, built this six-level \$125,000 "pigeon hole" parking building with a capacity of 200 cars. The structure is just a block away from Valley's home offices which occupy the three lower floors of two of Phoenix' largest office buildings, which are owned by the bank. "Bankers are as much concerned with parking problems these days as department stores," Valley explains

DOUGLAS A. FREETH, vice-president of Marine Midland Corporation in charge of its Time Plan department, has been named a vice-president of The Marine Trust Company of Western New York, Buffalo.

EMMETT A. MALLAGHAN, vice-president of the Seattle-First National Bank, was named supervisor of the bank's two Vancouver (Washington) branches.

MULK RAJ AHUJA has been named to represent the Bank of America in New Delhi, India. MR. AHUJA recently retired from the India Foreign Service. He had been in New York as Indian Government trade commissioner for the United States, and more recently was consul-general of India for the western United States, with offices in San Francisco.

Plans have been announced to merge the FIRST NATIONAL BANK & TRUST COMPANY of Kearny, New Jersey, and the HARRISON-KEARNY TRUST COMPANY of East Newark. The merged institution is to be operated under the FIRST NATIONAL's name.

JAMES C. BOLTON, president of Rapides Bank & Trust Company, Alexandria, Louisiana, has been elected chairman of the Louisiana

State Welfare Board which supervises distribution of over \$100-million a year.

MICHAEL MURPHY, director of public relations of the Houston National Bank, has been appointed promotion and publicity chairman for Houston's 1953 United Fund campaign.

A. M. ROOT, Jr., has been named president of the First National Bank of Corona, California, and its affiliated institution, Citizens Bank for Savings, of the same city. FRANK B. WARE was elected a vice-president of both banks, and R. B. SNEDECOR was named cashier of First National and a director of Citizens Bank.

BEULAH MAI ELLIOTT, recently elected assistant cashier of First American National Bank, Nashville, Tennessee, is the first woman to be named an officer of a Nashville bank.

B. M. Elliott

A. M. Root, Jr.



BANKING



W. M. Jones



H. A. Davis

Valley National Bank, Phoenix, Arizona, has promoted WELDON M. JONES to a vice-presidency.

HUGH A. DAVIS has been made comptroller and auditor of Pullman Trust & Savings Bank, Chicago.

FREDERICK J. TESCHKE, formerly an assistant branch manager of The Public National Bank and Trust Company of New York, is now treasurer of the Little River Bank and Trust Company, Miami, Florida.

Union Dime Savings Bank, New York, announces the retirement of MULFORD S. TEN EYCK, with the bank for 44 years, and GEORGE H. MAHLAR, head of the insurance department, who has been with the bank for 26 years.

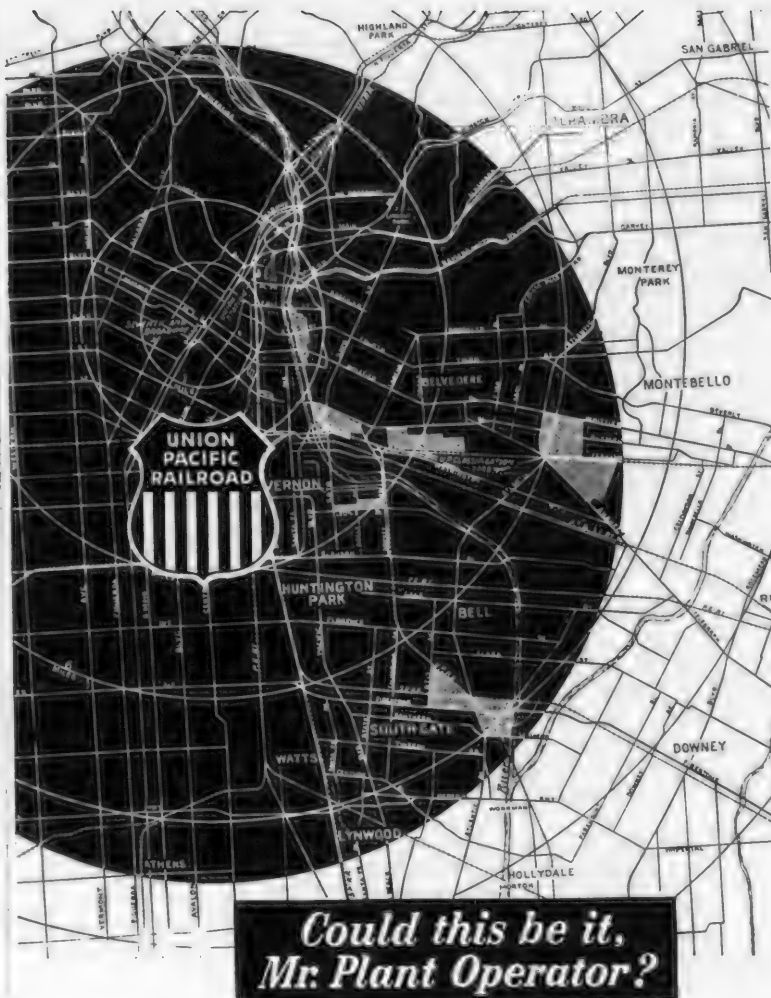
WILLIAM K. COOK, assistant cashier of the First Camden National Bank and Trust Company, Camden, New Jersey, was honored recently on his 50th anniversary with the bank. He received a diamond studded wrist watch from his fellow employees.

W. N. SICK has been named vice-president of the First National Bank in Houston.

SAMUEL COCHRAN, JR., has been appointed a vice-president of The Bank of New York. New assistant vice-presidents are: ELLIOTT AVERETT and EDWARD B. McGEORGE, JR.; assistant treasurers: WILLIAM ANDOLSEK and FRANCIS THOMAS WARD, JR.

S. Cochran, Jr.

W. N. Sick



Many manufacturers and industrialists have found this city ideal for their operation. Perhaps you would, too. It offers:

- A population ample to take care of the demands for skilled and unskilled labor;
- An adequate supply of electric power, natural gas, fuel oil and water;
- A rich consumer market with easy access to the wholesale trade territory of eleven states, also excellent port facilities for foreign trade;
- Wide industrial diversity as evidenced by the manufacture and distribution of such products as aircraft, steel, furniture, agriculture, wearing apparel, meat packing, motion pictures, automobile assembly;
- Clean, attractive residential districts . . . an almost perfect climate with an annual mean temperature of 63 degrees . . . unlimited educational facilities . . . year 'round outdoor recreation;
- Rail transportation by several transcontinental lines including the progressive UNION PACIFIC.

Please note: Union Pacific has a number of very desirable tracts in this city, where choice industrial sites are still available. For detailed information address Industrial Development Dept., Room 231, Union Pacific Railroad, Omaha 2, Neb.

UNION PACIFIC RAILROAD

ONE ACCOUNT SERVES ALL of CALIFORNIA!

A correspondent account with Bank of America enables you to send your items for any of more than 300 California communities—direct to Bank of America branches in those localities.

One account either in Los Angeles or in San Francisco makes this time-saving direct routing service available.



Sell Bank of America Travelers Cheques to your customers. They are known and honored throughout the world.

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

John T. Scott, seated, chairman of the advisory committee of First National Bank in Houston, gets congratulations and a pin on his 60th anniversary with the bank. W. A. Kirkland, executive vice-president, is giving the handshake. Also honored were J. A. Haralson, vice-president, for 40 years of service and C. C. Hall, assistant vice-president, 45 years



WORCESTER COUNTY TRUST COMPANY, Worcester, Massachusetts, has opened its new office which was five years in the planning and construction. The bank is air-conditioned throughout and has a large parking area and a two-way drive-in annex.

A big rose show is being planned for October 4 and 5 in the CHEMUNG CANAL TRUST COMPANY'S West Church Street branch in Elmira, New York. More than 5,000 roses are to be displayed.

EDWARD W. LYMAN is now a vice-president of United States National Bank, Omaha, Nebraska.

JOHN J. HARRINGTON is now senior vice-president of the Beneficial Savings Fund Society of Philadelphia. He's an alumnus of The Graduate School of Banking. The bank announces also the following elections: CHARLES E. MYRTETUS, vice-president, treasurer, and secretary; WILLIAM J. FERGUSON, assistant vice-president and assistant treasurer; THOMAS P. MONE and HARRY C. J. BLAIR were both named assistant treasurer and assistant secretary.

Merit awards have been made to 62 national banks, 38 trust companies, and 6 savings banks for the excellence of their annual reports in the annual survey by *Financial World*. Winners of the merit awards go into the final judging for the best of industry.

GEORGE F. BRICE, JR., is now president of the Oregon Mutual Savings Bank, Portland, succeeding his late father. He had been vice-president since 1940.

The Trust Company of Georgia is establishing a complete foreign department under the management of JOHN H. PLAUCHE who has been named a vice-president. MR. PLAUCHE recently returned from four years in the Dominican Republic where he initiated a new currency system and organized and managed the Central Bank, the republic's official state bank.

STUART R. BRINDLEY has been appointed assistant vice-president in charge of operations of the main and branch offices of the Bayside National Bank of New York. He's an alumnus of The Graduate School of Banking.

J. J. Harrington



E. W. Lyman



S. R. Brindley



J. H. Plauché



Instantly ACCEPTED...



Wherever your customers go—across the state or around the globe—you can always be sure they will feel safe and *at home* with American Express Travelers Cheques. For these Travelers Cheques are constant reminders of your bank's service at its best!

The Most Honored Cheques in the World

Through more than 60 years of service to the public, backed by vigorous promotion and national advertising, American Express Travelers Cheques have always been the best-known cheques by far . . . instantly recognized and accepted in a million places in this country and all over the world.

Spendable *anywhere, anytime*, they're 100% safe, easiest to cash!

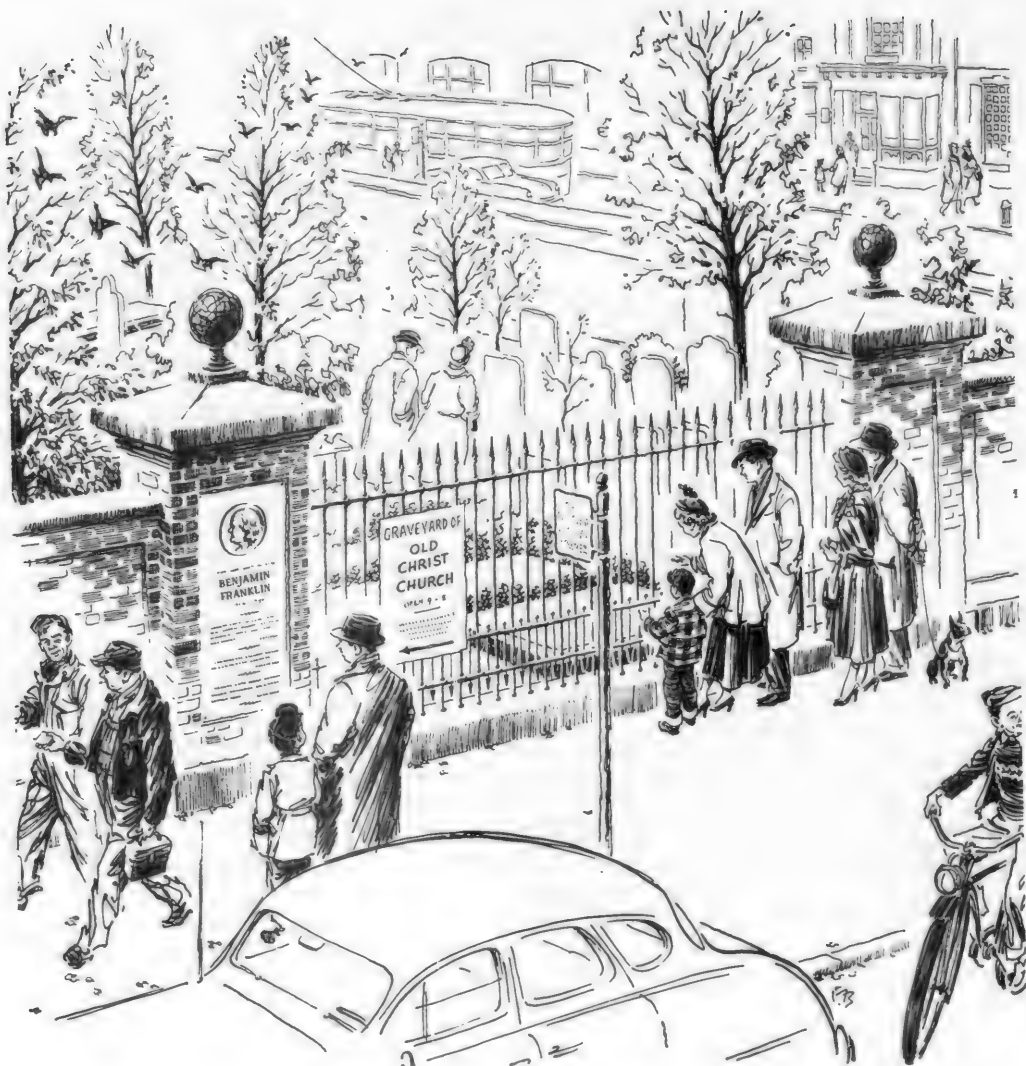
Exclusive Plus Services

Think of the extra services available *only* through American Express! Every one of more than 200 offices in the United States and abroad becomes a "service station" for your customers—providing willing assistance for any travel problem. In case of loss or theft, when speed counts most, a quick refund or financial help is given with the same degree of courtesy your customers find at your bank. Doesn't all this add up to greater customer satisfaction?

AMERICAN EXPRESS TRAVELERS CHEQUES

THE MOST WIDELY ACCEPTED CHEQUES IN THE WORLD!





Another Philadelphia landmark — the place where grand old Ben Franklin rests. And still another landmark — The Pennsylvania Company. If ever you need a banking office in Franklin's town, remember we've got 23 of them. And in those offices you'll find the swiftest kind of air mail check clearances, and top-notch, 24-hour-a-day transit operations. Come join our Correspondent Bank family — we'd like to have you.

The Pennsylvania Company

for Banking and Trusts

Founded 1812

Serving more people more ways than any other Philadelphia bank

23 offices, Philadelphia and suburbs

Member Federal Reserve System • Federal Deposit Insurance Corporation

The OUTLOOK

and CONDITION OF BUSINESS

High Level of Activity Promises to Continue

When you hear the next quarterly report of the Office of Defense Mobilization the time will be exactly half past the rearmament program, reckoning from Autumn 1950 to Autumn 1954.

The program began two years ago, and two years hence it will start tapering off according to present plans.

In the beginning the schedule was tighter, with controls of prices, credit, wages and materials not unlike those of World War II. In the beginning, also, there was a sense of urgency, of national peril, and the fear of inflation. These gradually diminished—the sense, that is, not the danger.

Now we have the peril and we still have the threat of inflation, coming ever closer with the passing of time, but we do not have much fear. Instead we have eminent economists arguing that a good case of chronic creeping inflation is just what we need for the good of our economic souls. Witness Sumner Slichter in the current issue of *Harper's Magazine*.

The timetable of the defense production program was stretched out to make it easier and attainable, and time alone will determine our wisdom or lack of it. So be it, toward the middle of 1954, according to the present schedule, spending for rearmament will reach an annual rate of \$65-billion, remain there a few months, then gradually decline to an annual rate of \$45-billion. These figures are interesting because there is a certain wistfulness about any effort to reach into the future and pin it down with a mathematical formula. Figures are a way of expressing our hopes, but otherwise have a rather precarious significance because no one knows what will be happening two years from now, or two months.

The first two years of the program, generally speaking, went into planning, building, equipping, and preparing to produce. Some critics have said that too

much of these first years was spent in changing plans, changing buildings, equipment and changing preparations to produce. In any case the next two years should see a substantial rise in deliveries of every category of defense goods.

There are two opposite views of the inflation threat, depending on how we expect consumers to act. The reason is that while consumers have more spendable cash and cashable bonds than ever before, their inclination to spend will be influenced in the future as in the past by unpredictable turns in the news of the day. All of the elements of inflation are present except banner headlines from the Middle East or someplace else indicating that the world situation is deteriorating.

So, despite public complacency on the subject, monetary managers see the possibility of a resumption any time of inflationary forces. This apprehension is reflected in the decision in favor of a 2 percent rate on the recently maturing 1½ percent Treasury certificates.

There is also fear that the steel strike may have inflationary consequences generally on the economy for some time to come. As steel goes, so go other industries, is the usual pattern of labor troubles. It is a fair assumption that coal miners and many other unions having contracts up for renewal will seek higher wages and benefits.

With the prospect of a continued high level of activity in most categories of commerce and industry, it may seem early for business to start worrying about what will happen when defense spending declines. However, the question is more and more persistently asked: Can this war-born, war-sustained prosperity, with its remote origin back about the time President Roosevelt gave the war signal in his "Quarantine" speech in 1937—Can this balloon be kept in the air by peace as well as war?

(CONTINUED ON PAGE 168)



How Long Will the

The author, who is Professor of Philosophy at New York University, is a member of the economics faculty at The Graduate School of Banking conducted by the American Bankers Association at Rutgers University. He is the author of numerous articles and books, the latter including The Managerial Revolution, The Struggle for the World, and The Coming Defeat of Communism.

IN business and finance as well as in personal affairs, rational plans can be based only upon expectancies concerning the future. Provided that we know ahead of time that they are coming, we can face even serious difficulties better than complete uncertainty. In the present situation many businessmen are jittery because they feel that overnight everything might be turned upside down.

The general course of our internal affairs as well as of our foreign policy is being determined by what we call "the Cold War." Because of the Cold War, we are rearming at a rate that is now nearly \$5-billion a month and rising; we are taxing ourselves heavily but still failing to balance the national budget; we are sending abroad over half a billion dollars monthly in various forms of aid and subsidy; and we are stationing military forces in Europe, Africa, and Asia.

In thinking of the future, even of the immediate future, we cannot help asking ourselves: Is the Cold

War going to continue indefinitely? Is it going to develop into general and total war? Or is it suddenly going to stop? If the Cold War evolves into total war, then we know that a total national effort will be required; the armed forces will be multiplied; rearmament will expand prodigiously, to more than half of the national economic output; taxes as well as deficit spending will greatly increase; and stringent controls, restrictions and regulations will be clamped on. If the Cold War suddenly stops through some sort of treaty, agreement or *modus vivendi* between Washington and Moscow, then, presumably, the military buildup would reverse itself, rearmament would drop abruptly, foreign aid for military purposes (now the bulk of foreign aid) would be eliminated or sharply lowered, and governmental expenditures would shrink.

—and an Election, Too

The present year adds the presidential election as still another source of perplexity. Will the outcome of the election make a decided difference one way or another? Will it increase or decrease the likelihood of total war or total peace? Will it affect the mode and scale of the Cold War, if the Cold War continues?

The content of future business and financial operations is clearly dependent in many respects on the answers to these questions. I am not among those who believe that our economy can keep going only with the



KOREA

This neat, geometrical pattern in a quiet Korean valley is Panmunjom, where rarely has so much rank bickered so long to accomplish so little. There were those who said at the time that the Russian-inspired talks, beginning in August 1951, were just a stunt for whiling away some time while the Communists built up their strength on the other side of the hills and the U.N.'s hopeful peoples hoped. At any rate, the negotiations have been well used for Red propaganda purposes. Our preoccupation with this "police action" has been longer than our active participation in World War I.

Cold War Last?

JAMES BURNHAM

help of heavy armament spending. That is a favorite communist notion, which has been taken over by some of our own theorists. It seems to me to be disproved by analysis as well as by recent experience. In 1945-46, in spite of all sorts of gloomy prophecies, we shifted from all-out military effort to all-out disarmament and demobilization without any serious economic troubles. The fact is that our economy, granted a reasonable amount of intelligence and prudence on our part, is strong and flexible enough to handle either peace or war or both.

At the same time, of course, the question of peace or war or the relative mixture of each has a great deal to do with the specific substance and direction of economic activity. Are we going to expand the production of tanks, planes, rockets and the tools to build them, or of cars and houses and roads? Is a company that is equipped to make a fancy electronic aiming device, but has no experience in selling to the public, a good credit risk over the next five years? Are loans going to be related to contracts directly or indirectly issuing from the Department of Defense or to orders from the purchasing agents of private business?

How Warm Is "Cold"?

The term "Cold War" is badly chosen. There was nothing cold about the civil war in Greece, which was the first episode. The Korean War, with over 100,000 American casualties already, is anything but cold, and there has been considerable heat in Malaya, Indochina, Indonesia, Egypt, Iran, the Philippines, and elsewhere. What is really going on is a "limited war"—limited, it should at once be added, not in its objectives, which

are as "total" as those of any war, but in the methods and forces which are being employed. In the case of the Soviet Union, the objective is total victory through the annihilation of the enemy. But neither of the two principal antagonists—the Soviet Union and the United States—nor any of their lesser associates has yet thrown anything like its full weight into the contest.

This limited war arises almost naturally, one might say, out of the world power situation that came about as a sequel to World War II. After the destruction of the Reichswehr, the entire central land mass of Eurasia, the strongest strategic position in the world, was left under the unchallenged domination of the Soviet State. This state was (and is) controlled by a tightly organized conspiratorial army—the Communist Party—which is irrevocably committed to the goal of world conquest and world domination. In accord with the existing power relations and vacuums of 1945-46, the communist-led Soviet state pushed out through every breach in its perimeter, in particular into all of Eastern Europe and into Manchuria, Korea, and China in the Far East. It soon became evident that the Soviet expansion was not going to stop voluntarily.

From the point of view of the Communists, their cold war against the rest of the world has been going on ever since November 1917, when they took state power in Russia—in fact, ever since 1903, when the Bolshevik conspiracy was first organized. Until 1947 it was a war only on one side, inasmuch as the other nations didn't understand what was happening. American delusions about communism and the Soviet Union reached their height under the influence of the verbal

(CONTINUED ON PAGE 156)

Prospects, Progress and Appraisal

In the following pages, BANKING's panel of nationally recognized authorities casts an appraising eye on the future and tells us what they see ahead for

BANK EARNINGS	by	JAMES W. WOOSTER, JR.
MODERNIZED OPERATIONS	by	FORDE STEELE
INSTALMENT CREDIT	by	A. A. FRIEDRICH
BANK PERSONNEL	by	J. STANLEY BROWN
SAVINGS	by	JOSEPH EARL PERRY
REAL ESTATE	by	ROY WENZLICK
TRUSTS AND ESTATES	by	GILBERT T. STEPHENSON
WASHINGTON	by	LAWRENCE STAFFORD
GOVERNMENT BONDS	by	MURRAY OLYPHANT
INVESTMENT MARKETS	by	H. EUGENE DICKHUTH
FARM CREDIT	by	JESSE W. TAPP

Prospects, Progress,

Bank Earnings

The Outlook Is Good, But . . .

JAMES W. WOOSTER, JR.

The author, who is a frequent contributor to BANKING, is with the Commonwealth Fund, New York City.

BANK earnings in 1952—both those thus far reported and those in prospect for the balance of the year—should make a favorable comparison with those reported in 1951 and in immediately preceding years. Although 1952 earnings in terms of dollars should be relatively good, it is open to question whether these dollar earnings are as good as they should be if our banking system is to retain the vigor and strength which are necessary in order that it can properly serve a growing, developing economy.

In order that 1952 bank earnings may be fairly appraised as to their adequacy, and as a basis for judging earnings prospects in the future, several charts have been prepared so that the current status of the banking industry may be viewed with some perspective. The chart appearing on BANKING's cover traces net profits after recoveries, losses, and income taxes for all insured commercial banks from 1942 through 1951. These figures, which are expressed as ratios per \$100 of total assets, show that net profits have ranged between $\frac{1}{2}$ percent and $\frac{5}{8}$ percent of total assets.

1952 Should Compare Favorably

From an operating point of view, the banking business has been more successful and more profitable during the past decade than the net profit after taxes figures might suggest. Net current operating earnings have ranged between $\frac{2}{3}$ of 1 percent and a full 1 percent for each \$100 of total assets, with the margin increasing in each of the past six years. The showing in 1952 should compare favorably with that of recent years. This good showing has resulted chiefly from the combination of a higher rate of return on loans and investments, a larger total of loans, and good control over operating expenses.

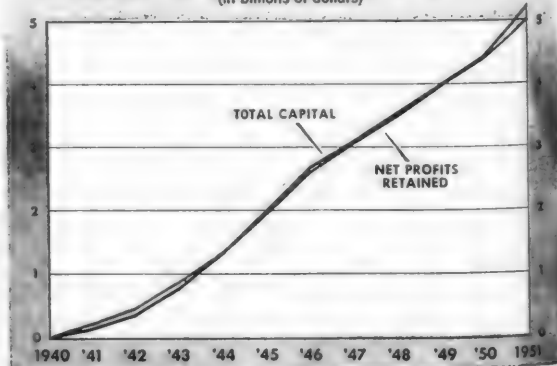
As recently as 1945, income on loans for insured commercial banks was \$3.09 per \$100 of loans, while in 1951 the corresponding income was \$4.45, and in 1952 it should be at least that high, if not higher. Income on

securities in 1945 was \$1.46 per \$100 of securities as compared with \$1.71 in 1951 and a figure which will doubtless exceed this amount in 1952. In 1945 the loans and discounts of insured commercial banks were \$23,379,000,000, while in 1951 they were \$54,408,000,000. The average figure for 1952 should be at least as large as that for 1951.

During this period of the last six years, with the volume of bank loans increasing by more than 100 percent, and with all costs rising, banks have exhibited an ability to keep their costs under strict control. The largest item of bank expense is salaries and wages. In 1942 this item represented 31.5 percent of total operating expenses. In 1951 it was 31.35 percent, having been in the very narrow range between 31.19 percent and 31.42 percent for the past five years. So-called "other" current operating expenses, the second largest category of expenses, comprising most costs other than salaries, interest on deposits, depreciation and taxes, took a smaller portion of the income dollar in 1951 than in 1942. In 1942 "other" current operating expenses were

Chart 1

CUMULATIVE INCREASE IN TOTAL CAPITAL ACCOUNTS OF INSURED COMMERCIAL BANKS SINCE DECEMBER 31, 1940 COMPARED WITH NET PROFITS RETAINED IN CAPITAL ACCOUNTS
(in billions of dollars)



and Appraisal

19.34 percent of current operating earnings and in 1951 they were 16.75 percent. With this satisfactory relationship between income and expenses, net current operating earnings rose between 1942 and 1951 from 31.75 percent of gross current operating earnings to 38.54 percent. As noted previously, these net current operating earnings in 1951, representing 1 percent of each \$100 of total assets, were at a new high for the past 10 years.

The Increase in Income Taxes

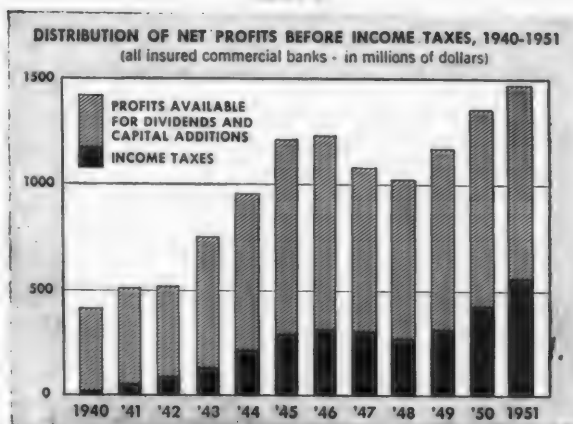
The chief reason why net profits after all taxes and charges have not kept pace with the rising trend in net current operating earnings, per \$100 of total assets, has been the increase in income taxes. In 1942 income taxes were nine cents per \$100 of total assets, but in 1951 they were 33 cents. Between 1942 and 1951 net profits before income taxes, per \$100 of total assets, due to favorable operating conditions and good management, rose from 62 cents to 87 cents, or 25 cents. During the same period income taxes, as noted, rose from nine cents to 33 cents, or 24 cents, so that net profits after income taxes, as shown on the cover chart, which were 53 cents in 1942 were only one cent higher in 1951. This trend is emphasized in the report of one of the largest banks in New York City. In 1951 it increased its earnings before taxes and reserves in the amount of \$1.52 per share in comparison with the previous year. Out of this increase, however, only eight cents was available for stockholders, most of the balance being required to pay increased taxes.

A Matter of Importance

The amount of net profits remaining after all operating costs and taxes is of interest and significance not only to stockholders, but to everyone interested in the strength of the private banking system. One of the main sources of bank capital is retained earnings. If these earnings are restricted during periods of favorable operating conditions by increased taxes, or by other causes, this results in a corresponding reduction in funds which would be available for additions to capital. The close relationship between the amount of net profits retained and increases in capital accounts from 1941 to 1951 is shown in the accompanying Chart I.

The tax needs of the Federal Government are bound to be enormous for an indefinite time. The tax burden on all taxpayers—individuals and corporations, rich and poor—will, at the very best, be onerous, and, at worst, can be crushing. Even if one adopts the optimistic approach that some improvement in the world political situation may permit a reduction in defense expenditures, and greater efficiency in Government services may permit some economies, the hard fact re-

Chart 2



mains that the taxes necessary to finance soundly the minimum practical level of governmental activities will be manifold those of a generation ago.

Most citizens realize that from here on it will be necessary to share their incomes with the tax collector to a much greater extent than has previously been the case. But they have a right to expect not only that these record-breaking taxes be collected and disbursed in a generally honest and efficient manner, but also that they be designed in a way to encourage, rather than discourage, the formation of capital and its availability on a competitive basis, throughout the economic system.

The extent to which the burden of income taxes on banks has increased since 1940 is shown in Chart II. In 1940 total Federal and state income taxes of insured commercial banks were \$23,000,000, or less than 6 percent of profits before taxes of \$424,000,000. In 1951 income taxes had increased more than twentyfold, to \$560,000,000, equal to 38 percent of profits before taxes of \$1,468,000,000. Income taxes of insured commercial banks in 1951 were greater by \$136,000,000 than 1940 profits before taxes.

"Left After Taxes . . ."

The Superintendent of Banks of the State of New York recently said: "Heavier taxes are being imposed on a business whose ability to earn already suffers by comparison with many other lines of activity." The Superintendent's report on banks and trust companies chartered in New York State, published in 1951, showed that profits before income taxes rose \$26,873,000 in 1951 as compared with 1950. All but \$4,476,000 of this increase was needed to provide for higher income taxes.

Restricted bank earnings not only limit the funds

available for retention in the banking business through additions to capital funds. They also cause bank stocks to be valued at prices, frequently below book values, which make it impractical for banks to sell additional stock on terms which are fair to existing owners of bank stocks. In a recent representative case, a nationally known bank offered additional stock priced at approximately 70 percent of book value. This low price was necessary to insure success of the offering. The cash dividend return at the offered price was nearly 5 percent. This was a full 1 percent more than the old stockholders had been receiving on the book value of their stock.

The need for the banking system to increase its capital as its deposits and earning assets increase, is generally recognized. The Secretary of the Treasury, in a speech before the annual meeting of the National Association of Supervisors of State Banks, in the fall of 1951, stated: "Deposit insurance should not be regarded as a substitute for adequate capital. The fact that the present low capital ratio is close to those at the top of two major speculative credit booms should warn the banking system of the need for the rebuilding capital accounts."

Chart III shows deposits, capital funds and "risk assets" of insured commercial banks from 1941 to 1951. During this time deposits increased from \$65,617,000,000 to \$149,684,000,000, or 129 percent. "Risk assets," that is, total assets less cash and United States Government securities, rose from \$28,615,000,000 in 1941 to \$66,863,000,000 in 1951, or 136 percent. Total capital accounts, which were \$6,773,000,000 in 1941, stood at \$11,641,000,000 in 1951, an increase of 72 percent. Loans and discounts, which are generally considered as the earning asset item against which capital protection is most needed, rose from \$19,913,000,000 in 1941 to \$54,408,000,000 in 1951, an increase of 170 percent.

These figures and ratios should not be interpreted as meaning that the fundamental position of the banking business has become strained or impaired. Member banks today are required to maintain a considerably larger balance in cash and reserves for Federal Reserve than was true in 1929. Moreover, Government bond holdings of member banks today are far greater than was true 20 years ago. However, it remains a fact that if this country is to continue to develop economically, large amounts of credit will be required. In order to make such credit available, banks will have to continue to add to their capital funds.

Why Bank Capital Is Hard to Get

The basic difficulty in obtaining bank capital is the inadequate earnings of present bank capital. These inadequate earnings are not due to a shortage of earning assets or deposits, both of which have undergone great expansion during the past decade. Nor are they due to unnaturally low rates charged for loans. During the past year or two, and especially during recent months, the rent for money has been much freer than formerly to determine its own economically justifiable rate. The Treasury's offer on August 4 of this year of one-year 2 percent certificates of indebtedness in exchange for maturing certificates established a new high rate on one-year paper since 1933. Net earnings insufficient to permit needed growth in capital funds, either through retention or sale of additional stock at

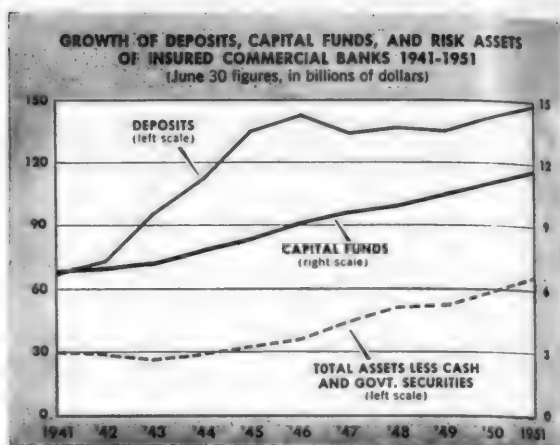


Chart 3

reasonable prices, have not been due to disproportionate increases in operating costs. As has been previously noted, such costs have been kept in conservative relationship to the increased volume of business. Tax increases have been the chief factor limiting bank earnings to a level which has made it impractical for the banking system to retain or raise additional capital at a rate commensurate with increased deposits and loans.

"The Outlook Is Improving"

With bank operating conditions favorable, and with a greater understanding of the desirability of limiting the taxation of bank earnings to a level which will still permit capital to be acquired on a reasonable basis, the outlook for bank earnings is improving. Since the banking business, like any other business, must be profitable if it is to be a strong and healthy business, the prospect for the restoration of bank earning power to a point which will permit capital additions on practical terms should be a gratifying development not only to bank stockholders and bank management, but to all citizens who believe in our private enterprise system.

LEADERSHIP

"Bankers should be the first to realize the great responsibilities for financial leadership. No longer are bankers content merely to understand their local problems. The new look in banking is developing at an ever accelerated pace. Bankers will continue to be aggressive, I know, in their leadership toward a sound and productive economy for the American people."

—W. HAROLD BRENTON, vice-president of the American Bankers Association, before the Rotary Club of New Orleans.

Modernized Operations

Today's Bank: Convenient, Attractive

FORDE STEELE

The author, who has recently contributed a series of articles to BANKING under the general title, "Better Layout—Less Outlay," is assistant vice-president of the Central National Bank of Cleveland. Here he points out how customer services can be improved in the future through better layout, proper use of building materials, and adoption of time- and cost-saving operational methods.

WE in banking have the world's biggest selling job on our hands. We are faced with the job of convincing our fellow Americans that the American enterprise system must be retained even at the expense of temporary hardship, and that an independent banking system is the keystone of American enterprise.

Our customers are the key to the future of banking. If our customers like our banking services, believe that they are essential to the preservation of our American way of life, and are confident that no one can serve them quite so well as their own bank, they will defend us at the polls. If, on the other hand, they believe that our services do not meet their needs and it seems plausible that government could supply their banking requirements more effectively than can the private banks, our customers may well vote for Government ownership of banks at some time in the future.

In the final analysis we hold our fate in our hands. If we serve our communities, please our customers, safeguard their wealth, and, most important of all, tell them what we're doing, we will continue to enjoy a substantial measure of freedom of enterprise. Pleasing, comfortable lay-outs and efficient operations contribute much to convincing the customer that his bank can

service his banking needs better than any Government agency.

Forward-thinking bankers are planning ahead in an effort to do everything possible to convince their customers that their bank is providing them with the utmost in banking convenience and service. It is the intent of this article to review some of the new ideas which are "on the drawing board" for American banking, as well as to summarize some of the latest improvements in operating techniques and building layouts.

The Bank Building

The early history of banking was such that a massive building was required to impress the customers with the bank's safety and solidar-

ity. However, unnecessary stone, steel, and bronze are no longer required. Progressive banking laws, the excellent work of supervisory authorities, improved internal controls, deposit insurance, and the modern bank customer's approach to financial problems have eliminated the need for outward exhibitions of strength. The trend toward the type of building which is light and airy, attractive to both customer and employee, and is easy to maintain, is evidenced by the number of banks which are constructing "modern" buildings. The new or remodeled bank buildings of the future will incorporate the following:

- (1) Room for expansion.
- (2) Non-load-bearing walls which will facilitate changing the internal arrangement as the banks grow.



Modern teller equipment in the Malden (Massachusetts) Trust Company

(3) Adequate communication and power outlets.

(4) Construction features to facilitate maintenance.

(5) Internal departmental arrangement designed to effect an efficient work flow, assist employees in the performance of their duties, and provide the utmost in customer convenience.

(6) A vault of adequate size so located as to provide the utmost flexibility in changing the building interior to meet future requirements.

(7) A lobby which provides easy access, clear passage to all service points, sufficient space to handle the normal traffic, and with services located in the lobby so that they can be reached easily by the customers.

(8) An administrative area which is dignified yet friendly, inviting, well lighted, and with desk arrangements which are conducive to the exchange of confidential information.

(9) A well planned lighting system which will increase the quality and quantity of work performed by the employees, lessen fatigue, improve attitude and morale, and help the employees do a better job of selling their bank.

(10) Attractive teller counters which provide customer convenience, comfort and a reasonable amount of privacy, and which contribute to the

efficiency of the teller operation and minimize fatigue.

(11) Clerical area layout which provides sufficient space—adequate space for employees and an efficient arrangement of the various banking functions.

(12) Well planned floors which add beauty to the bank, save maintenance expense, reduce danger of slipping, and contribute to the comfort of those who must walk or stand on the floor.

(13) Sound-conditioning to improve employee efficiency and mental alertness, and make public areas more attractive to customers.

(14) Air-conditioning to improve employee comfort and morale, reduce errors and absenteeism, and make the bank more attractive to customers.

(15) Escalators or elevators to carry employees and customers to upper or lower floors.

The appearance of the building and its internal appointments conveys an impression of the kind of bank operating within the building's walls. Customers are inclined to be impatient with banks which force them to walk up long flights of steps to get to the banking floor, or crowd them into undersized, poorly lighted and badly ventilated lobbies. Modern merchandising methods have educated our customers to the com-

fort of buying what they want easily and without effort. By making it convenient for our customers to do business with us, we can build volume and increase earnings, in addition to doing a better job of convincing the public that we have their interests at heart.

Both from a morale and an economic standpoint, it is important to provide employees with pleasant, efficient working quarters. The average employee rightfully sees no reason why he should find things less convenient in his bank than does his friend in the business office across the street. Making it possible for employees to do a reasonable amount of work with a reasonable amount of effort will reduce expenses and improve employee morale.

Remodeling Existing Buildings

Now is the time to remodel and improve bank buildings which are dark, or unattractive and whose internal layout no longer serves the requirements of modern banking. Buildings which have been constructed within the past 50 years probably can be remodeled at reasonable cost. The money saved through operating efficiencies may pay for the remodeling in a short time. The newer materials and remodeling techniques make it possible to improve the appearance and internal layout of most buildings. In addition, because of relatively high income and high taxes, the cost to stockholders is probably less now than it may be for some years in the future.

Efficiency in the Commercial Divisions

One important measure of the efficiency of the commercial departments of the bank is the number of times items are handled. You may wish to determine the number of times a deposited "us" check is handled in your bank. In the modern bank, since checks are proved in the proof department, it is not necessary for the teller to handle individual deposited items. In the proof department items need be handled individually only once, by using an automatic feed on the microfilm machine, and a proof machine which embodies an endorsing unit or an adding-machine-endorsing unit batch system combination. In the proof



Bookkeeping department of the Citizens National Bank, Lubbock, Texas

operation checks should be sorted into control unit groups, so that when they reach the bookkeeping department it is necessary only to make a rough sort to individual books and a fine sort to place them in strict alphabetical order. Inspecting the checks for stop payments, signatures, and the other requirements of negotiable instruments usually requires two more handlings. Whether single-posting with sight or machine paying, or dual posting is used, the checks are handled only twice more. Check filing and comparing add two more for a total of nine individual handlings from the time an "us" check is received in a commercial deposit until it is returned to the customer.

Commercial Bookkeeping

A well arranged, smoothly operating bookkeeping department contributes substantially to customer satisfaction and employee morale.

If you have any of these symptoms, your bookkeeping department needs attention:

- (1) Do bookkeepers work an excessive amount of overtime?
- (2) Are stop-payments paid frequently?
- (3) Do customers report numerous errors on statements mailed to them?
- (4) Do tellers and officers have to wait for information and is it frequently inadequate?
- (5) Does noise from the bookkeeping machines disturb tellers and officers and customers?
- (6) Do bookkeepers lack space to operate efficiently?

Banks experiencing any of the above difficulties should give serious consideration to improving the internal arrangements and work procedures of their bookkeeping departments.

The future holds great promise for an increasing use of mechanical equipment which will tend to increase accuracy and lower costs. The newer manually operated bookkeeping machines embody many improvements which increase the operator's speed, accuracy, and general efficiency. The use of lap trays for holding ledger sheets and ticket holders contributes substantially to ease of operation and permits the bookkeeper to devote more energy to the problem of accuracy.



The modern interior and equipment of the Worcester (Massachusetts) Trust Company

Some banks are now using punched card checks which can be processed almost automatically for pay-as-you-go checking accounts. Punched card checks are also used by the Government and by many corporations for their payroll accounts. It is not too difficult to conceive of punched card check volume reaching a point where a majority of the checks received in a bank could be processed automatically. A single electronic computer has the capacity to handle the bookkeeping for any of the largest banks in the country. One of these machines could store in its "memory" all debit, credit, and balance information for thousands upon thousands of accounts. This machine could perform all of the bookkeeping work and answer questions as to debits, credits or balances for any account. In addition, at statement time it would produce customers' statements at an unbelievable speed.

It is not too fantastic to conceive of all of the banks in the country being connected through the use of some future development of electronic equipment so that when a teller receives a check, he could drop it into a machine at his window and the amount would be almost simultaneously deducted from the maker's account regardless of where that account might be in the country.

My own preference for a gadget to improve the handling of commercial accounts would be to supply each customer with his own check writer, which would function in the same manner as a postage meter. Whenever the customer made a deposit, the amount would be added to the balance registered in the gadget. Each check that he wrote would be deducted automatically from the balance, because only checks validated by his personal check writer would be paid. It would be impossible for him to write a check for more than the balance showing in his personal check writer. If someone can figure out how to make that idea work, he is welcome to it free of charge.

Check Collection Service

Without the magic of negotiable checks, our American economy would be virtually hamstrung. Fast, efficient check handling is at the heart of the activities of our American economy. Float is waste. Every day that a dollar is in transit is a day when that money cannot be used.

In this respect the Federal availability schedules are something less than realistic. Accepting credit before funds are actually collected smacks seriously of paternalism.

(CONTINUED ON PAGE 147)

Instalment Credit

Regulation W Left Several Questions

A. ANTON FRIEDRICH

DR. FRIEDRICH is professor of economics at Washington Square College, New York University, and a member of the faculty of The Graduate School of Banking.

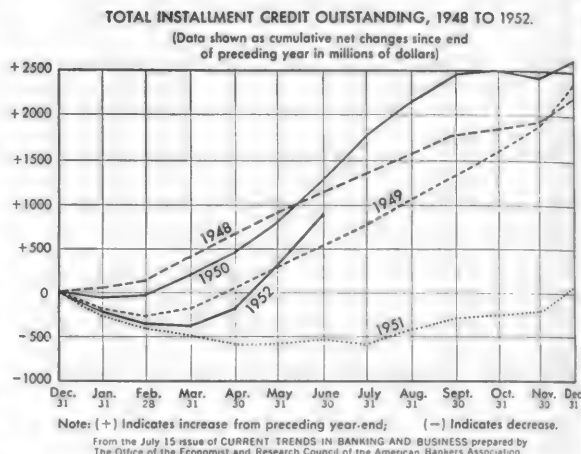
A GLANCE at the chart on this page brings into sharp focus the extent to which the instalment credit pattern of 1951-52 departed from the patterns of the postwar years. Unlike the preceding years when expansion was the rule, this was a period of liquidation. In fact, instalment sales credit was below the total of outstanding at the 1950 yearend as late as June of 1952. In terms of the trends of the preceding postwar years, the decline was a severe one; in terms of dollar totals, the absolute amount of decline was relatively small. In terms of the operations of consumer credit departments, the liquidation was orderly and without any serious problems of collections, delinquencies, and defaults.

Various reasons are offered to explain this rather unique postwar phenomenon. Some see it as the postwar boom having come to an end. The boom, they said, had grown old and tired. The market for consumer durables had gradually become saturated and people preferred to save rather than to borrow and buy. Others professed to catch a glimpse of an even deeper, longer run secular trend. The low birth rate of the 1930's, together with the marriages at a younger age during and immediately following the war, were making themselves felt in a decline in the number of new family formations. This, it was suggested, was the early stages of a trend which might last well past the middle '50's.

Consumers Didn't Buy

There was general agreement that the forward buying immediately after the outbreak of the Korean War had resulted in a heavy accumulation by consumers of goods, both soft and durable, and when the feared shortages did not materialize, consumers—at least a large part of them—were in a position to save their money instead of making down-payments on automobiles, food freezers, dishwashers, ironers, and other appliances, thus contributing to the deflationary trend. In any case, consumers did not buy and they increased their statistical total of savings to an unusual extent. From a rate of savings of 3, 4, and 5 percent against disposable income, the rate of savings jumped to approximately 10 percent in the third and fourth quarter of 1951, and 8 percent for the first quarter of 1952.

And then there was Regulation W. Over the greater



part of the period under review, consumer credit restraints were quite severe. From October 18, 1950 to July 30, 1951, the maximum maturity permitted for automobiles, major appliances, furniture and floor coverings was as short as 15 months. These terms, combined with a requirement of a one-third down-payment, made even a low priced used car a successful commodity speculator's luxury. In any case, many consumers whose take-home salaries had not kept pace with rising prices and taxes were shut out of the market for both new and used cars and other high price durable consumer goods.

As a consequence the warehouses of manufacturers and distributors and the car lots and showrooms of automobile dealers became filled with unsold refrigerators and automobiles. In addition there were cutbacks in production with the inevitable layoffs of workers. It is not surprising that organized labor, dealers, distributors and their associations marched upon Washington hand in hand. And they were successful in persuading Congress to add three months to the maximum maturity, a minor gain and a bad precedent in money management.

To assess in any quantitative measure the extent of the responsibility of the various factors mentioned above for the deflationary trend of 1951-52 is, of course, impossible. The effect of consumer credit restraints, if severe enough and if combined with a rising cost of living and higher taxes, would seem to be quite

strong. Some indication of their repressive effects upon consumer buying may be seen in the response of consumers to the lifting of controls on May 7. In the two months of May and June, instalment credit totals jumped by slightly more than \$1-billion. New cars began moving out of showrooms and the used car market which had been in the doldrums came to life.

Personal Loans Against Trend

An exception to the general deflationary trend should be noted. Personal loans were sharply counter to the general trend. The 1951 year end total was \$400,000,000 higher than that of the previous year and the first six months of 1952 has already recorded an increase of loan outstandings of more than \$600,000,000. The reasons for this would be interesting to know. Personal loans were exempt from the regulations. Perhaps some consumers borrowed to consolidate their debts, to pay dental and medical bills in order to buy automobiles. Perhaps the higher taxes which are this year really biting hard into the slow moving white collar incomes may in part explain the sharp rise of the first half of 1952. Some part thus may be accounted for as cost-of-living loans. In any case, this record of personal loans suggests that the next foray in consumer credit controls may reach into personal loans, although the administrative problems would seem to be insuperable.

The Pros and Cons of Regulation W

The period under review is also significant for the general survey of credit policy and debt management undertaken by the Patman subcommittee in the course of which consumer credit control came under scrutiny. The issue was whether it was desirable as a matter of public policy to give the Federal Reserve Board permanent authority to administer consumer credit controls, to relax or release them, to impose or to tighten them as the Board might decide in the light of general business conditions; or whether consumer credit controls should be regarded as emergency measures to be used only under certain specific conditions for specific purposes such as segregation of scarce materials for national defense or to restrain consumer bidding for goods in extremely short supply.

The committee took a dim although politely expressed view of the Board's position that consumer credit controls should be regarded as an integral part of over-all money and credit management and should be available for use in accumulating boom periods along with and coordinate with quantitative controls. The committee felt that the disadvantages of consumer credit controls outweighed the advantages. Selective credit controls "have the disadvantage that they tend to transfer the use of credit from the more-wanted to the less-wanted channels," the committee asserted. Moreover, selective controls are "apt to be extremely irritating to those restrained," said the committee, mindful, no doubt, of the clamor of last year. Consumer credit controls are discriminatory among merchants, binding some and leaving others free, and involved an ethical dictate of what is for the consumer's "own good." "Selective credit controls," the committee concluded, "should be administered as if" and not as a general instrument of control.

The Federal Reserve Board held to its often expressed position that instalment credit is a strategic

and peculiarly volatile factor in general business movements, tending to exaggerate both the booms and depression; that its profitability to lenders made it a strong competitor for funds thus complicating the problem of debt management by the Treasury; that general quantitative controls are a limited deterrent of consumer borrowing; and that therefore the Board should have permanent authority to regulate consumer credit.

Several Questions

The issues raised are too complex for treatment here. It may be in order, however, to conclude the discussion with several questions which the instalment credit control experience of 1951-52 suggests. The controls did curtail buying, but in so doing they led to swollen inventories, an increase in business loans to carry the larger inventories, cut-backs in production, and layoffs. Do not controls tend to precipitate the situation they are intended to avert? To what extent does the experience of 1951-52 suggest that consumer credit controls have a significant effect on the more fundamental inflationary forces, such as the persistent upward pressure of wages and the escalator effect of parity prices? They may precipitate "price-wars" by merchants, but are these not merely ripples on the surface of the tides?

The committee suggests that selective controls are apt to be irritating to those constrained. Does not the experience of 1951-52 indicate that unless there is an overriding national interest such as war or a serious threat of war, the irritation may be of such dimensions and so widespread as to negate any administration of consumer credit controls? The Board was pleased with the recent experience with consumer credit control. It may be correct in feeling so; however, the questions persist.

"I'd like a small loan, Joe. We had so many office contributions last month that I'm broke!"



Bank Personnel

The Job Is to Sell Banking As a Career

J. STANLEY BROWN

MR. BROWN, vice-president and personnel director of the Chemical Bank & Trust Company, New York City, has written extensively on personnel subjects.

COLLEGE campuses are crowded nowadays, a condition not due entirely to the fact that student registrations have been 'way up since the conclusion of World War II. Meet a 35-year old on almost any college campus today, and you cannot be too sure that he is a post-graduate student or a professor; the odds are at least even that he is the recruiting representative of some business or industry which finds itself in short supply on college graduates.

A recent survey shows that most of the larger American banks have—in varying degrees—joined in this modern man hunt. The survey also indicates that for banks the hunt has been anything but successful. "One of our most difficult fields of recruitment," reports the representative of one large mid-western bank, "... found very little interest among the male college graduates in banking as a career." Another representative reports: "As to the outlook... it is tough. ... It is my guess that the demand for good men will be greater next year than it was this year."

"Simply Not Interested"

The placement office of at least one fairly large eastern college definitely discourages banker interviews. "Our seniors," they explain, "are simply not interested in the field of banking." And, as if in support of this attitude, the vice-president of one outstanding, large-city bank comments as follows: "(Within the last six months) I have called on about 30 colleges and talked with over 700 men... (My observations were that) the average college senior feels there is very little if any opportunity in a banking career. Salaries, he thinks, are low and chances for promotion slim."

The gentleman last quoted in the preceding paragraph offers an over-all conclusion as follows: "This is an appalling situation and must be corrected"—a conclusion which has the concurrence of many bank placement officers. So the question becomes "How *can* it be corrected?"

In the first place, banking must accept the fact that the day is long past when *any* business or industrial organization can select from an overabundance of applicants in any classification. And that statement is particularly true of the banking business. Whether we like it or not—whether we consider it entirely "fair" or not—banking is pretty generally considered a low-

salaried, slow-promotion proposition. The fact that that viewpoint is largely erroneous proves only that we bankers have a job to do in the field of "public relations," and particularly with the younger groups from whom our future operations and management personnel must come. In short, today's bank employment officer simply cannot approach his job with the idea that he is *buying* (hiring) help; his job is to *sell* banking. But he cannot do the job alone. He must have help, for the criticism is of the very warp and woof of the banking structure.

It is doubtful that any other business or industry has a greater number of actively constructively functioning membership organizations than does banking. We have the A.B.A. and other national, state, county and clearing house organizations, dedicated to improvement of banking and the American enterprise system. We have, too, the American Institute of Banking, the National Association of Bank Auditors and Comptrollers, the Financial Public Relations Association, and many others. We have conventions galore and summer schools for the study of bank public relations, agricultural cooperation, mortgage administration. Each of those organizations is in constant search of ways in which it can render constructive assistance to the banking industry. And each could be of additional major assistance if it would give an hour at each of its conventions, perhaps two hours at each of its summer schools, to a program of educating *bankers* (not the public, yet) in the truth about banking as a calling. If each of this country's senior and intermediate bankers really knew the truth, and if each would accept the comparatively minor responsibility of combating untruth, we could lick this problem in a year or less!

"Homework" Isn't Voluminous

The "text"—the "homework"—of this program is anything but voluminous. As a matter of fact, it is already known to all of us. The difficulty is that we have never assembled into one over-all, comprehensive form the really persuasive advantages of bank employment. This is not the place for any exhaustive exposition of those advantages, but it may help merely to mention the major ones.

(1) Of course the first question an employment seeker asks of an employment interviewer is "How much?" Having received the answer "\$35 a week"—or \$45, or whatever it may be—the really smart candidate then replies "Okay, but that is for *now*. What about *next* year?"

That second question is merely an expression of the fact that a very large segment of the American people is today searching for a thing they call "security," by which they really mean the permanence upon which true "security" can be built. And in many segments of business and industry, the only possible answer to that second question is "We just don't know. We *hope* we'll be open next year. We hope there will be a market for our product." But the bank placement manager can truthfully answer "We'll be here. We'll be open. The United States can't get along without banks, in good times or in poor!"

Good bank recruitment is an extremely selective process, whether dealing with college graduates or high school. And this selective process ought, first of all—and particularly in the case of college recruitment—to distinguish between the two kinds of people who are looking for jobs. In the first group are those who are in a big hurry to "cash in"; who want to earn every dollar they possibly can *today* and are willing to let tomorrow take care of itself. They'd rather accept \$60 a week and be doubtful as to how long the job will last, than \$50 with certainty of continuous employment. They are mighty fine people. Our modern world could not possibly get along without them, for they are the builders, the entrepreneurs who, in a sense, gamble for high stakes. And our free enterprise system needs them badly. But they are not bankers.

The Career Planners

In the other group are the people who plan *careers*; who want permanence and stability ("security," if one likes that word). They want to figure their total income over a *40-year career*, not merely over a year or two. They are the ones who ask about more than the beginning wage. And they—particularly those in the college group—are the ones to whom banking can successfully appeal.

In the last analysis our predicament is really a product of the age we live in. Regardless of where the "fault" may lie, many of today's young Americans live and plan from one month to another. Having had no contact with hard times, they are likely to regard those of us who do remember—and who therefore fear some aspects of the future—as old fogies whooping into a rain barrel. But that is only one side of the picture. Listen, for instance, to the report of the personnel officer of one eastern bank.

"I have two grown children," he says. "Each of them was taught to plan for the long pull, to lay a solid professional groundwork, to learn to walk before attempting to run. And one of those lads is very happy at the conclusion of his first year in a commercial bank. True, he is not yet able to support a racing stable, but he is accumulating a solid background in the fundamentals of business procedure.

"The point is this: *I am not the only father in this locality who has raised a family in that way.* There are others. And they are the people we want to employ. After all, we do not want to employ the whole hundred thousand population of this city; *we want only the 300 necessary to staff this bank!*"

(2) Although we and our prospective employees must frankly face the fact that banking is not a get-rich-quick industry, we do have certain payroll advantages which are not apparent upon cursory examina-

tion. For instance, we have no "temporary layoffs" without pay. Within reasonable limits, bank employees are paid for the days when they are absent because of illness. And there are no times when some one tells us we must (whether we like it or not) go out on strike—without pay! So far as "fringe benefits" are concerned, the most recent surveys of the national Chamber of Commerce show that the financial industry is at least 25 percent ahead of any other business or industrial grouping in this substantial item of "take-home pay."

The Knowledge Factor

(3) So far as job progression is concerned—meaning opportunity to learn the next higher job and to receive promotion to that job when it becomes vacant—in what other business or industry do employees work more closely together? It is almost impossible for an alert bank worker to do his job without learning the elements of the job or jobs ahead. As to the "knowledge" factor, what other business or industry has an educational organization such as our American Institute of Banking? What other business or industry subsidizes tuition payments for after-hour study as does banking? What other business or industry concentrates so much on *promotions from within the ranks* as does banking? In short, what other group is as *interested* in training and promotion as are bankers?

(4) Having learned the job, or jobs, ahead, what are the chances for "cashing in"? How many such higher jobs are there? The answer is that in American banking one out of 17 is an officer of his or her institution; one out of 10 is either an officer or high-ranking senior employee approaching official status. And where in the world is their a higher ratio than that?

(CONTINUED ON PAGE 122)

COLD WAR, HOT WAR?

Whether or not the Cold War becomes warmer may be decided in the Middle East. One of the most sensitive spots on the map, with respect both to world politics and world business, is the Suez Canal, where British soldiers are shown on guard against disorders and sabotage. The effect of the newest ex-king's abdication is still wrapped in the future.



WIDE WORLD

The Savings Business

A Vista of Great Opportunities

JOSEPH E. PERRY

Mr. PERRY, who is president of the Newton Savings Bank, Newton, Massachusetts, is president of the Savings and Mortgage Division of the American Bankers Association.

THE outlook for the savings business is complicated by so many factors that only a few may be considered in a brief discussion. Thus, the outlook as to the total potential savings must be by-passed with the comment that it is so highly conjectural as to make any present detailed prediction little more than a guess. A depression or a world war would change the entire outlook while it lasted; but over the long run the potential thrift of the country is immeasurable. The boundaries of scientific and technical and mechanical progress are being expanded beyond comprehension and all of those advances make for increased savings of time, energy, and material wealth. The long-range outlook for the savings business would seem to be one of ever-expanding opportunity.

When it comes to the savings business as a business or trade or profession one can venture to be somewhat more specific. Whatever the aggregate volume of savings, it seems likely that the savings business, itself, will undergo several changes due to changing economic conditions.

An Era of Debt Reduction

The savings business will have to adapt itself to an era of debt reduction. There are those who advocate acceptance of the national debt as a permanent aspect of our economic life, whereby the nation would virtually forget the principal and consider the carrying charges as a perpetual element in the cost of government. However, the whole history and philosophy of our economy abhors such a point of view, so, sooner or later, we shall be in an era of debt reduction when the savings business will be confronted with some very difficult problems of readjusting large proportions of its investments. A definite program for the gradual amortization of the national debt is fairly easy to devise but will be extraordinarily difficult to execute. Through all the fits and starts of such a program the savings business will find itself profoundly involved. Perhaps its greatest opportunity for public service may lie in the exercise of wise leadership in moulding and enforcing a sane and effective program of debt reduction.

Another probable element in the future of the savings business will be the extension of savings facilities into every nook and corner of the country. The logic

of the situation would seem to point in the direction of more and more branch facilities and perhaps toward an American version of some of the foreign savings systems, whereby a deposit or withdrawal may be made in any bank regardless of where the depositor has his account. Mechanically this would be possible now, but only at a cost disproportionate to the probable benefit to the public.

And that suggests another aspect of the future of the savings business that is as inevitable as any human affairs can be. The amazing steps already taken in the mechanization of the business are but a prelude to those to come. The automatic bank of the future is but one step away. When the deposit is first entered in the passbook (or whatever may in the future supplant the passbook) all human intervention will have been completed. The same operation will set up a punched card (or its successor), and electronic machinery will thereafter take over not only with respect to the particular account but throughout the entire bank, computing interest, keeping all records, balance

(CONTINUED ON PAGE 151)

IRON CURTAIN

Where the Iron Curtain passes through Berlin are signs such as these, plus barbed wire, barricades, trigger-happy Soviet soldiers, and sad-eyed East Germans, hundreds of whom have fled to the West. It is said the Russians are determined, in one way or another, to get their former allies out of Berlin, an eventuality that would have the most serious consequences for present European defense plans.



WIDE WORLD

BANKING

Real Estate

The Traffic Light Has Turned to Amber

ROY WENZLICK

DR. WENZLICK is one of the country's leading real estate economists and consultants. His headquarters are in St. Louis.

IN New York City until the last few months, a two-color traffic signal has been in universal use. Green changed to red and red to green without any intermediate warning color. The approximately 7,500 signalized intersections in New York City, however, will now be changed as rapidly as possible to three-color signals, as it has been found that the addition of a warning color reduces the number of accidents.

The dangerous period in every traffic intersection is the period in which the traffic changes its direction. The danger can be reduced, but not eliminated, by an emphasized warning of the change.

The change in direction of economic trends is also accompanied by increased danger which can be reduced, but not eliminated, by proper warning.

The Two Critical Periods

In the field of real estate the two critical periods are the periods when real estate activity is approaching the normal line, either rising toward it from a real estate depression or dropping toward it from a real estate boom. In both cases the greatest danger comes from inertia, from doing nothing at a time when positive action should be taken.

The period of the late Thirties was the last of these transition periods. The great depression brought real estate owners to the brink of bankruptcy similar to the conditions at the end of a great depression just 100 years earlier, when a mayor of New York, in one of his official papers, wrote: "God help the owners of real estate."

By the late Thirties, real estate foreclosures were dropping from the tremendous peaks of a few years before. Real estate activity was rising rapidly. Real estate values, however, had shown only a nominal recovery. As late as July 1940 the cost of building our standard six-room frame house was lower than it had been in 1937, although it was considerably higher than the distress cost at the bottom of the depression in 1933. Very little speculative building was going on at the time, as on the average it was possible to buy a house already built at less than the cost of building a comparable one.

When I wrote *The Coming Boom in Real Estate* in May 1936, few people had realized that a change in direction was imminent and that the amber was already flashing on the intersecting street. I found great diffi-

culty in convincing people I was right. There was no enthusiasm for real estate. Hadn't most investors in real estate lost heavily? Why throw good money after bad? A few months after the publication of *The Coming Boom in Real Estate*, the *American Mercury* (January 1937) carried an answering article entitled "The Coming Real Estate Crash."

The policy of inertia, of doing nothing during that period, resulted in a loss of opportunity which comes only once or twice in a lifetime. Those who invested in slim equities at that time became wealthy, and the profit they made as capital gains was subject to the lowest tax payment.

The real estate boom which developed has lasted for a longer period than any other real estate boom in our history, and it is not yet over. It seems to me, however, that the green light is going out and that the amber light is flashing again. The traffic has not yet changed its direction, but from now on the hazard is increasing. During this intervening period every precaution should be taken. This is a period of grace which should be used to get in sound condition.

New Tactics Called For

The tactics which were most successful in the rising market we have experienced in the past will be quite dangerous in the period ahead. No longer can a building be built on the chance that it will prove to be a good investment. In the past, many buildings have been built with 100 percent mortgages where subsequent increased construction costs and rising rentals have increased the values of the property, until today an actual equity exists and the mortgage has shrunk to a more reasonable level. If construction costs stay level or start to drop, the speculator will find that the leverage in large mortgages is reacting against him, reversing completely the experience he had in the last few years where the larger the mortgage the greater the percentage of increase in the equity as values rose.

In any well designed traffic system the amber light stays on long enough for approaching traffic to get through the dangerous intersection before the red light comes on. I think that the amber light in real estate will remain on for a long enough period for the more intelligent owners to make the adjustments in their programs which are indicated by the revised outlook. Clearly, general business will remain good during 1952, with a very sizable volume of new building, with a satisfactory volume of real estate transactions, with rising rentals, and with a large amount of mortgage business for the mortgage lenders.

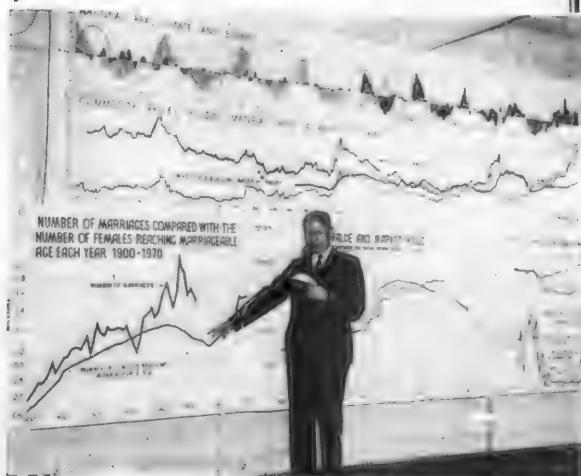
"... the Biggest Real Estate Boom We Ever Had..."

The following paragraphs are taken from an address by Dr. Wenzlick, entitled "The Real Estate Forecast for 1952," which he gave in Cleveland early this year. It was given before the Seventh Annual Meeting of Builders and Realtors, sponsored by the Society for Savings in the City of Cleveland. Below is a picture of Dr. Wenzlick addressing the meeting.

We hit a tremendous peak of marriages in 1946 or 1947. In that year we had 2,291,000 marriages in the United States. We have already gone from that figure down to about 1,500,000, and that is a drop of about 800,000 marriages per year. In my opinion, this line is going to continue to drop. It is going to drop and that drop alone is going to mean a reduced demand for new housing, a reduced demand for new furniture, a reduced demand for all of the things for which the marriage peak created a shortage. I think we are going to have a shrinking market from the standpoint of real estate and of new construction in the period immediately ahead, then a rapidly expanding market when we get over in the Sixties.

I believe the marriage rate [in the Sixties] is going to go quite high, and I think it will bring on the biggest real estate boom we have ever had, far bigger than the boom we have just come through. I doubt whether it is a great deal of comfort to a man in the real estate business now to tell him we are going to have another big boom in the middle and late Sixties, but on the other hand, it should be very encouraging to the younger people in the audience. A chance to really make a killing in real estate comes about once in a lifetime. A man who is ready to take advantage of opportunities in real estate investments here in the middle and latter Fifties is going to be a man who will make a tremendous killing in the real estate field in the early and middle Sixties. Now that gives you a little time to accumulate some money, and that might be a rather wise thing to do.

Dr. Wenzlick



Because of the unbalanced budget during the latter half of 1952, the Government will be pumping out money and credit faster than it is siphoned off by taxes. Our rearmament program up to the present has been largely a program on paper. The engineering staffs have been busy, the draftsmen have been turning out blueprints, the machine tool manufacturers have been constructing special machinery, and new plants have been built, but up to the present time a relatively small amount of actual war material has been produced. During the remainder of this year we will be in what is generally known as the "chewing-up period." From here on out raw materials will be consumed in large quantities, employment in war industries will be increased, and the paying out of money for materials and labor will be accelerated. This cannot help but stimulate the economy and, while the stimulation lasts, all types of demand will be higher than they would otherwise be, including the demand for both rental and owner-occupied housing. Retail demand will remain strong, bolstering values of commercial properties.

So long as we keep a managed currency I would not advocate the selling of good real estate in order to acquire excessive liquidity for the dubious period which I think lies a little farther ahead, but I would certainly advocate paying down mortgages or paying them off entirely so that the better properties can be carried through a period of inactivity with relatively little risk.

I am not a pessimist on the long-range outlook. I have no desire to sell the United States short. To say that I think the traffic light has changed to amber indicates that I expect the direction of the traffic to change shortly, but after the red light does appear, it in turn will be followed later by the green.

Tremendous Discoveries Ahead

In my opinion, we are only on the threshold of tremendous discoveries which will affect our entire way of living. Within 25 years, the standards of living of the average American will be far higher than they are at present. The average work-week will be shorter, and many diseases which reduce efficiency and shorten life will be practically eliminated. Sources and types of raw materials now of no importance will become major factors in supplying the industry of the future.

From the monetary standpoint, however, I am inclined to think that our dollar will buy less than it buys at the present time. So long as we continue on a managed currency basis, there will be a long-term tendency for the value of money to go down. The English pound, it will be remembered, was at one time a full pound of silver. It has been progressively clipped, until at the present time the English pound has only a small fraction of its original value. The German mark, the French franc, the Italian lira and most other currencies which have not been tied to an intrinsic base, have undergone a similar shrinkage. The American dollar today is worth only 37 percent of what it was worth in 1913, and 53 percent of what it was worth in 1939.

As money goes down in value, tangibles of real worth will increase in dollars. Over a long period, real estate will again gain value and properly selected pieces will prove to be the best investments obtainable in constantly changing times.

Trusts and Estates

Three Ways to Build Business

GILBERT T. STEPHENSON

The author is one of the nation's foremost authorities on trust business. For many years he was a member of the faculty of The Graduate School of Banking conducted by the American Bankers Association at Rutgers University. He has written many books and articles on trust matters and has lectured on the subject throughout the United States.

VIEWING trust business now as a stockholder, director, and customer of a trust institution and not as a trust officer nor even as an active trust man, I am convinced that the outlook for trust business in 1952 and for the years immediately ahead is reasonably promising, but that, with concentration of bankers and trust men on two points I shall mention, it can be made a great deal more promising. Such statistics as there are indicate that there has been and still is a steady but comparatively slow growth of trust business.

I believe two things retard its full development.

A Thorough Re-Study of Trust Compensation

Trust business will not attain its full stature unless or until it is put and kept on a soundly and consistently profitable basis; and it is not yet on that basis and will not be so long as three-fourths of the trust departments of the country still operate in the red. (Stephenson's *Studies in Trust Business*, 4th ser., p. 195.)

There must be something inconsistent about trust compensation when a trust institution in one state receives \$4,250 for settling an estate similar in every respect to one for which a trust institution in another state would receive only \$1,090, and a trust institution in one state receives \$789 when one in another state would receive only \$200 for administering identical trusts. (Ibid., pp. 208-209). Either one receives too much or the other too little; both cannot be right.

We need a thorough re-study of the bases, sources, and amounts of trust compensation. The studies already have been made, two of them. The first was made in 1937 by the Trust Division Committee on Trust Policies (*Trust Bulletin*, Vol. 17, Oct. 1937, and May 1938). The second was made in 1949 by the Trust Division Committee on Costs and Charges and published in the volume, *Recommended Cost Accounting Procedure for Trust Departments* (Pp. 57-64).

These two studies of the bases, sources, and amounts of trust compensation should be restudied and the resulting recommendations accepted and applied.

A Further Popularization of Trust Service

So long as only 5 percent in number and 10 percent in volume of all estates of deceased persons are settled by trust institutions—and these are the latest available figures—it cannot be said that the trust institution yet is a popular institution.

In a democracy, such as ours, a business institution, in order to prosper in a large way, must be a popular institution—popular in the sense of having the people on its side.

In my judgment, there are three ways by which trust institutions can make themselves much more popular

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INFLATION

The most costly steel strike in United States history set back the defense program by an untold number of weeks, and the civilian uses of steel have suffered proportionately. Now other unions are flexing their muscles in preparation for a try at catching up with Murray's steel men.



WIDE WORLD

Washington

Interest Rates—Legislative Prospects

LAWRENCE STAFFORD

WHAT officials see immediately ahead for the commercial banking business is the probability of a substantial seasonal rise in loans. These should fetch slightly higher returns. As a consequence current operating income of banks before taxes should, for 1952, set a new high total, although after taxes the story may be different.

One of the most spectacular of recent developments was the Treasury announcement early last month setting an interest return of 2 percent on the rollover of \$2.4-billion of maturing 1½ percent certificates. This was the first time one-year Treasury money has paid 2 percent in almost two decades.

This 2 percent rate was not reached before there had been considerable discussion among the officials concerned. In general, there were two viewpoints on this question.

Normal Summer Lag

One was that the summer lag in commercial lending was normal, that the successful rollover of \$5.2-billion of July 1 certificates with a smaller than normal attrition having been achieved without raising the rate above the 1½, the rate need not be raised on the 1½ August 15 and September 1.

As a matter of fact, as early as the first part of July, no informed official appeared to anticipate the possibility a month later of a 2 percent certificate rate.

A further amplification of this first viewpoint was that the sale of \$4.25-billion of 2½ percent inter-

mediate bonds was "a success any way you look at it," as one individual observed. Furthermore, there was little reasonable outlook that the Treasury, aside from tax anticipation long bills or an occasional boost in the weekly bill issue, would need to borrow new money before the end of this calendar year.

A Different View

A second and different viewpoint was that, although the 2½s had a large initial sale, their premiums did not sustain themselves in the market. With the seasonal rise in fall lending in sight, commercial loans would begin to rise, and, furthermore, money was tight because of municipal borrowing and various other conditions affecting the money market. Apart from commercial loans, total bank loans were up for the June quarter.

From the standpoint of those holding to this second viewpoint, a 2 percent rate was logical, and was urged upon the Treasury. They insisted the slight upward adjustment from 1½ to 2 percent was dictated by the action of the market and logical as an anti-inflationary manifestation of Federal monetary policy. Furthermore, the settlement of the steel strike threatens higher prices.

Whether the higher rate was due to outside conditions or a lack of full use of the "orderly market" concept of the Treasury-Federal Reserve accord of March 4, 1951, is a subject which probably will remain a matter of limited and possibly private dispute. In any case the

Treasury accepted the recommendation for the 2 percent rate.

Firm Rates Signaled

This may indicate that so far as Federal monetary authorities are concerned, firm rates on lending are signaled.

Such being the case, officials anticipated that total current operating earnings of insured commercial banks in the United States will exceed the record figure of \$4,395,000,000 reported by the Federal Deposit Insurance Corporation for calendar 1951.

During 1951, however, net profits after incomes taxes dropped some \$28,000,000 under 1950 to a figure of \$908,000,000 because of a rise in operating expenses and taxes.

Some officials anticipate a further drop in net after taxes for 1952 due to the fact that this year corporations will have a full year's liability under the excess profits taxes to pay, where they have EPT liability, against a half year's EPT liability the year before. Operating expenses also are expected to maintain their steady rise.

New Loan Peak Probable

Some other officials, however, believe that the seasonal upswing, which probably will carry commercial bank loans to a new peak, together with steadily rising real estate loans, will outweigh both rising operating expenses and EPT to give banks in 1952 a net after taxes slightly higher than in 1951. Net before taxes is expected by one authority to be 10 percent over 1951.

With respect to EPT, its life terminates June 30, 1953, unless Congress takes positive action extending its operation. As has been reported previously in **BANKING**, conservative members of Congress expect to establish, as a condition to extending the excess profits tax, certain modifications of that tax. One of these modifications may well prove to be one which limits the impingement of this tax upon bank earnings.

Government Aids Defense Housing

In addition to the \$900,000,000 which Congress, near the end of the session, provided for advance commitments by the Federal National Mortgage Association to purchase mortgages for programmed defense, disaster, and military housing, money is being made available for limited over-the-counter purchase of other insured or guaranteed mortgages.

Due to the manner in which Congress opened up "Fanny May" for these advance commitments, it was estimated by officials that this agency would have \$360,000,000 available for purchase of FHA and VA mortgages in nondefense areas. Officials were planning to purchase these mortgages "in areas where they would do the most good" from the standpoint of encouraging the outflow of mortgage money.

"Subversives" and FHA

At the time of writing, the Department of Justice was supposedly working upon a list of subversive organizations, membership in which would prohibit (1) a person from becoming an occupant of an FHA-insured rental project, (2) an occupant of a public housing project, or (3) a purchaser of a house insured under an FHA mortgage.

This arose out of the fuss over the Gwinn amendment initially attached by the House to the Independent Offices Appropriations Bill, of which the appropriation for public housing was a part. The original amendment, before modification, would have prohibited annual contributions toward a PHA project if any tenant thereof was a member of a subversive organization.

As finally worded, the amendment merely admonished PHA to keep subversives out of public housing

projects. Chairman Maybank (D., S. C.) of the Senate Banking Committee told the Senate that this principle should be applied to all Government-insured or guaranteed housing. Technically, the amendment could not be made applicable under the procedure to anything but public housing.

So if this list of "subversive organizations" has been obtained from the Department of Justice, then the "anti-subversive" rule will be applied. Here is how it will work:

(1) With respect to FHA rental projects, all new prospective tenants will be shown this list of subversive organizations, and asked if they are members. If they admit to being so, they must be denied tenancy in any FHA-insured rental dwelling projects. If not, they will sign a certificate stating nonmembership.

(2) With respect to PHA-public housing projects, all tenants are to be shown the list, and asked, if non-members, to sign the certificate of nonmembership.

(3) With respect to individual houses the subject of FHA mortgages, the bank, insurance company, or other primary lender will

contract with the seller that he will obtain such a certificate before he offers any prospective buyer as a client for mortgage credit.

Regardless of this procedure, the insurance of the mortgage will not be affected so long as the bank operates in good faith. Insurance will not be tainted if, through the fault of a representative of a rental project, some subversive tenant does succeed in obtaining tenancy or ownership in a dwelling under FHA insurance.

Veterans Administration loans will not be subjected to this procedure. VA takes the position that the entitlement of veterans to VA loans is expressly established in law and cannot be affected by an admonition of a conference report against excluding from statutory benefits buyers who might be members of subversive organizations.

Rains Committee to Study Housing Standards Further

Although the House Banking subcommittee, of which Representative Albert Rains (D., Ala.) is chairman,

(CONTINUED ON PAGE 105)

WAGES, PRICES

The steel strike settlement foreshadowed increases in other industries—and presumably higher prices, too. OPS Director Arnall suggested that a special session of Congress might be necessary to tighten economic controls. Meanwhile, members of the remodelled Wage Stabilization Board were sworn in. The picture shows Circuit Judge Charles Fahy, left, administering the oath; Economic Stabilizer Roger L. Putnam; and board members Hiram H. Hall, Malcolm Denise, Millard Stone, Chairman Archibald Cox, Harold Enarson, John Brophy, Harry Bates, and Elmer Walker.



HARRIS & EWING

Government Bonds

Dip in Industry's Capital Needs Would Affect Markets

MURRAY OLYPHANT

The Rift in the Clouds

WHATEVER may be the immediate outlook, there can be little doubt that—barring the outbreak of all-out war—the capital requirements of industry for the purpose of increasing production must have nearly reached their peak. It is because of this belief that there are those who feel that we may now be seeing the final stages of rising interest rates and that, when it is recognized that the productive facilities of industry are now ample or more than ample to meet both domestic and defense demands, industrial management will be very cautious in borrowing the money to provide for greater and greater output. Any decided drop in the capital requirements of industry would almost at once affect both the money and bond markets. New corporate bond issues would no longer be available. Investment funds steadily accumulating in pension retirement funds and insurance companies might then be expected to turn to the longer-term Government market. The volume of business loans would have a tendency to shrink. The money market picture would go into reverse. It could very well be that in retrospect today's prices will prove to have been surprisingly close to bargain sale values. Certainly a program of purchases for investment, possibly on a scale down, seems warranted.

ANY doubt as to who is now the boss of the money market was resolved during July when, on the last day of the month, the Treasury announced that holders of the \$583,000,000 1½ percent certificates due on August 15 and the \$1,832,000,000 due on September 1 would be offered in exchange for a 2 percent certificate due August 15, 1953, thus recognizing that any attempt to maintain the one-year rate would not be backed up by the Federal Reserve, and justifying a newspaper headline, "Reserve Board Buries Easy Money Policy."

This action had been forecast by the steady rise in the cost of Treasury bills from 1.788 percent on June 30 to 1.877 percent on July 28; by the decline in the prices of the 1½ percent certificates maturing on 2/15/53 and 6/1/53 to par or slightly below; by the recurrence of small discounts for three of the four callable 2 percent bonds, and finally—perhaps most importantly—by all the proof anyone needed that the

Open Market Committee had no intention whatever of doing anything to ease the tight money situation.

Masterly Inactivity of Open Market Committee

That they had no such intention can be seen from the fact that the Federal portfolio on July 30 was \$22,844,000,000, up only \$280,000,000 from the \$22,564,000,000 held on June 25. During this period about \$4,250,000,000 new 2½ bonds came on the market. About half of these bonds finally came to rest in commercial bank portfolios. These acquisitions increased bank deposits. The rise in deposits increased the amount of required reserves. To provide these reserves, and not being able to sell other issues directly or indirectly to the Open Market Committee or to anyone else, banks, in order to maintain their reserve positions, were forced to borrow from the Federal Reserve banks at the rediscount rate of 1.75 percent, with the result that on July 30 loans, discounts, and advances at the Federal Reserve banks had risen to \$1,408,000,000, up nearly \$1,100,000,000 from June 25 and at a new high since 1933. Actually the amount borrowed was just about double that of the excess reserve figure on July 30.

Inflationary Effects of New Financing Shackled

Nothing could more clearly illustrate the change which has taken place as the result of the establishment of a market for Government securities freed from any maintenance of a fixed pattern of interest costs on Treasury refunding operations. Within reasonable bounds this is no longer the prime objective. The objective now is to restrict the increase in the money supply at least until the possibility of a resurgence of inflationary price rises is definitely eliminated. Hence, instead of providing reserves by buying Government securities, the Federal Reserve is forcing the banks to go into debt to cover their requirements. This will certainly act as a deterrent to the banks in making any but the most necessary loans. Not only that, but a more than seasonal rise in loans might result in lifting the rediscount rate to 2 percent or even more. With Voluntary Credit Restraint discarded and Regulations W and X emasculated, the Federal Reserve has been forced to adopt the only method of credit control still available, i.e., to force the banks to borrow. This method is the one contemplated when the Federal Re-

serve Act was originally enacted. It is currently proving effective.

Government Market Suffers

What happened to the market for Government securities as a result of tight money unrelieved by any amelioration from Open Market Committee operations can be seen from the following comparisons of prices as of July 1 and August 4.

Short Term	July 1 Asked	August 4 Asked	Decline in Price	Increase in Yield
Treasury 91 day Bills	1.74%	1.86%		+.12%
Treasury 1½% Cts. 6/1/53	1.84%	1.89%		+.05%
Treasury 1½% Notes 3/15/54	99½	98¾	-½	+.19%
Treasury 2% Bonds 9/15/53	100½	100	-½	+.08%
Intermediate Term				
Treasury 2¼% Bonds 9/15/59/56	100½	99½	-½	+.14%
Treasury 2½% Bonds 6/15/58	100½	99¾	-½	+.12%
Treasury 2¼% Bonds 6/15/62/59	99½	97¾	-1½	+.17%
Treasury 2½% Bonds 6/15/67/62	100½	99½	-1 pt.	+.08%
Long Term				
Treasury 2½% Bonds 9/15/72/67	98¾	97½	-1½	+.08%
Treasury 2½% Bonds 12/15/72/67	98½	97¾	-½	+.08%

The decline was orderly in that no substantial volume of sales was pressed on the market at any time. Now and then orders from pension and state funds gave some support to the longer-term issues. An exception was the new 2¾ percent bonds 6/15/58. Liquidation by disappointed "free riders" including brokerage firms was not offset by continued purchases by commercial banks until all premium had been canceled and a discount established.

The short-term market got a little help at the end of the July when the proceeds of the sale of over \$300,000,000 of bonds by the Ohio Turnpike Commission and money received by the American Telephone and Telegraph Company was invested temporarily, but the effect wore off promptly and Federal funds remained at 111/16 percent bid, with almost none available.

Market Outlook Linked to Loan Volume

For the immediate future there is little reason to expect current conditions to show much change. The fact that the Treasury failed to call any of the three 2 percent bond issues and even the 2¼ percent bond, which might have been retired on December 15, is pretty good evidence that it does not expect money to be enough easier to permit any worthwhile refunding at that time.

The action of the Government securities market during the summer and fall will be linked very closely to the volume of bank loans. Seasonally the volume of loans rises in the latter half of the year. What will happen this year? To strike an average of forecasters' opinion is to suspect that a somewhat less than seasonal increase is probable. There is as yet no sign of any diminution of the volume of production. Defense expenditures of the Government are at a new high. With the steel strike over, business will hum again. Construction for housing shows no let-up. Consumers loans continue to rise from week to week. There is no current evidence that funds available for investment will have any shortage of other than Government investment media.

What Government bonds are now held should continue to be held, but no more will be required. *For the moment* the market would seem to be due to be inactive with little volume of selling, but with less prospect of buying; a condition which should result in no material change in prices. If loans rise sharply, prices could be expected to go lower. If the loan volume shows little change, prices should do likewise. If there should be an actual decrease in gross loans, prices for Governments would improve.

The key to the market is the behavior of the loan total now that Treasury financing is a relatively minor factor for the balance of 1952.



WIDE WORLD



NEXT PRESIDENT

After reading this Outlook Section, if you think *you* have problems consider what's waiting for the winner in November. They're certainly asking for it!



WIDE WORLD

Investment Markets

The Question for the Future Is That of Higher Interest Rates

H. EUGENE DICKHUTH

The author is a financial writer on the staff of the New York Herald-Tribune.

THE main question confronting the investment markets in the future, near and far, is that of higher interest rates. It has been a worldwide phenomenon and the United States has been one of the last major nations to be affected by the trend.

Great Britain abandoned extremely low money rates, which prevailed throughout the postwar period, with the advent of Winston Churchill's new Conservative government. The motivation behind it was that higher rates would discourage businessmen and individuals from borrowing money for nonessential purposes. Hence, more funds would be available for crucial objects. By the same token, there would be less incentive to borrow money for frivolous articles of importation and more for worthy objectives so that the trade balance, generally, would be helped.

Similar and deliberate increases in interest rates occurred in France, Western Germany, and other parts of Europe and nearly all of them have had salutary effects of one form or another.

In the United States, there was never any question of improving the international balance of payments by higher interest rates. Exports are exceeding imports by a substantial margin. The question of curbing nonessential endeavor solved itself by consumer resistance to high prices and, thus, by increasing personal savings and lagging purchases of both goods.

Yet the United States followed the general world trend even though most people, including the fiscal managers, were certain that no conscious relationship existed among developments here and overseas because of varying economic conditions.

Pressure of Investment Funds

But interest rates have risen here, too, although the increase has been smaller and less spectacular than in Europe. One of the reasons for this development has been the pressure of new funds for investment. Industrial and union pension funds alone are accumulating at the rate of about \$2-billion per year. Money of institutional investors is likewise multiplying rapidly.

Low and extremely low interest rates over the past two decades have made it very difficult to show a decent return on trust funds, which had to be invested in Government securities or other blue chips.

Thus, as opportunities arose through liberalization of laws and otherwise, investment managers have been branching out in the industrial and real estate fields. Investors of all sizes refuse to take $2\frac{1}{2}$ percent per year, if they can make 4 or even 6 percent.

The Treasury of the United States had to bow to those conditions and improve its rates on savings bonds. It also raised the rates on its certificates of indebtedness from $1\frac{7}{8}$ to 2 percent for one-year paper.

As is customary, the private investment markets were affected immediately as well. A rise in interest rates means that a company which previously had to pay, say, 4 percent for a bond issue, would have to pay, perhaps, $4\frac{1}{2}$ or 5 percent under the new conditions.

Since it is impossible, in time of such changes, to refund all outstanding obligations and issue other ones conforming to the new rates, the market for outstanding securities adjusts itself almost automatically to the new climate. In times of rising rates, this means higher yields, which can be achieved only by lower prices, since a 4 percent bond selling at 97, obviously, gives a greater return than when it was quoted at 101.

Investment Markets and Interest Rates

Thus, the investment markets today and for some time to come must be judged against the prevailing trend of higher interest rates.

New financing in July showed a sharp contraction from the offerings of recent months. However, the total was the largest for any July in several years. It is usually a slow month.

Public offerings of bonds totaled \$509,042,000 spread among 69 issues, against \$808,888,000 for 77 flotations in June and \$381,956,000 for 98 issues in July 1951.

The total for July, while it was the smallest for any month since March of this year, was the largest for any July since 1945, when \$748,893,000 in 33 issues reached the market.

Equity financing offered to the public fell to a total of \$80,223,000 for 14 issues in July. It was the smallest monthly figure since November last. The aggregate compared with \$142,959,000 for 21 flotations in June and with \$45,699,000 for 14 issues in July 1951.

However, July equity issues were the largest for any July since 1947, when \$131,023,000 in 14 issues were floated.

In the seven months ended July 31, \$4,864,448,000 in

542 new bond issues were offered to the public and \$733,147,000 in 121 flotations of new equities made their appearance. This compares with \$3,126,351,000 for 429 bond issues in the first seven months of 1951 and with \$936,071,000 in 289 equity flotations in the like 1951 period. Bond offerings so far this year have been the largest for the seven months' period in more than 25 years. Investment demand generally has improved and the previous backlog of securities on dealers' shelves has been cut sharply.

Two facets of financing also deserve review. One is that of cost-of-living-securities and the other one is that of tax-exempt municipal bonds floated for the purposes of income.

The former idea of offering holders of securities not just the number of X-currency units in repayment of their original purchases was hatched out in Sweden. In the United States, Christiansen Corp. of Illinois took up the same idea with "inflation provision debentures." The general thought is that securities holders, at maturity, will be paid the equal purchasing power which they put in.

Inflation-proof Securities?

This has led to some agitation that the United States Treasury should issue, also, inflation-proof securities in order to attract a new market. Astute observers, while not condemning this relative novelty *per se*, object to such procedure on two major grounds. One is that corporations, engaging in this practice, or the U. S. Treasury, would create a special group of creditors who, it seems, would be immune from the depreciation of currency.

The second objection is even stronger. If the method of inflation-proof securities were adopted by the Treasury, it would be, in effect, an open admission that nobody can or will do anything about the deteriorating purchasing power of the dollar. As such, the flotations of bonds or equities of this type may have an unfavorable effect on the country as a whole, psychologically.

So far as the flotation of tax-exempt securities for

income-producing purposes is concerned, this method of financing, while condemned by the Investment Bankers Association of America, received another impetus when the City of Florence, Alabama, signed a novel agreement with a manufacturer.

What the Agreement Provides

It provides that the city will build a plant for Stylon and also provide machinery to the tune of \$1,300,000—then lease the plant back to Stylon for 25 years. The money for this undertaking will be provided by a bond issue which is tax-exempt, and which bears interest at the rate of 5 percent.

Payments by Stylon of about \$82,000 per year will be sufficient to pay interest on the obligations and repay the entire issue in due course.

There are two sides to this and similar stories. The cities attract industries, provide employment and an assumed degree of prosperity to their areas. The companies, in question, save the money it would cost to buy real estate, machinery and buildings. Thus, they benefit, too.

Original Idea Being Perverted

However, the Investment Bankers Association points out with a great deal of justification that the original idea of tax-exempt municipal financing is being perverted.

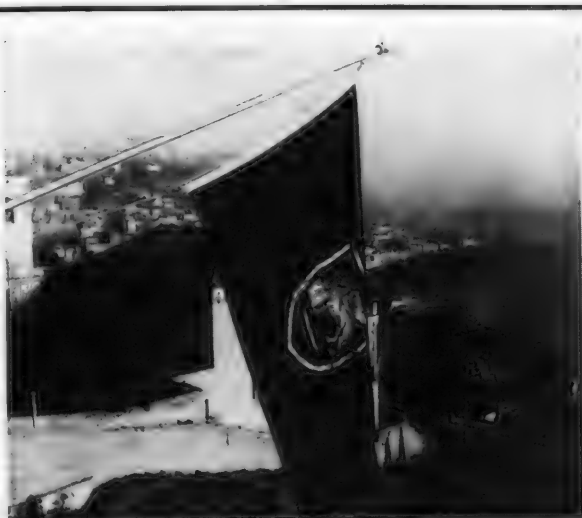
It was envisaged that no Federal taxes should be due on projects which involved the building of new schools and new highways, new hospitals or airports, but income producing bond issues such as that undertaken by Florence, Alabama, have a different flavor, the group argues.

If this should become accepted practice, the Congress of the United States might well decide that there should be no more tax-exempt issues, a decision that would be quite a blow to substantial Federal income taxpayers.

It is quite a problem which deserves the consideration of the leaders of the finance.

COMMUNISM INSURANCE

This NATO flag is flown in southern Europe. A current quip is that NATO is like the Venus de Milo because it has plenty of SHAPE but no arms. The French are threatening to cut their arms production unless more dollars are forthcoming, and the British are planning cuts for the sake of national solvency. Meanwhile American taxpayers are contributing millions of dollars each month to pay for communism insurance on the neighbors' houses in all parts of the world.



WIDE WORLD

Farm Credit

Short Term Demand Promises All Time High

JESSE W. TAPP

MR. TAPP is executive vice-president and economist of the Bank of America N.T.&S.A., San Francisco. He is the bank's adviser on agricultural financing policies and also is a member of the institution's managing committee, management forum, general finance committee, subcommittee on loans, and subcommittee on bonds and investments. For several years he has been a member of the Agricultural Commission of the American Bankers Association and currently is chairman of the Commission's Agricultural Credit Committee and of its Farm Land Prices Committee.

MODERATE readjustment problems have been encountered by many segments of American agriculture during the first eight months of 1952. Some farmers, including cattle, sheep and poultry producers, have had to adjust their operations to somewhat lower price levels. In some areas, particularly the

Spring wheat area and parts of the South, drought and other unfavorable weather conditions have interfered with normal production. In the main, however, it appears that 1952 will be another reasonably good year for farmers. None of the readjustment problems is likely to be so drastic as to seriously disturb farm credit prospects for the coming year.

The amount of short-term nonreal estate mortgage credit used by farmers will probably reach a new all-time high in 1952. This is due to the gradually increasing level of production costs, to continued heavy expenditures by farmers for machinery and labor saving equipment, and to the generally higher level of capital requirements of modern commercial farming.

Farm Operating Expense

Between 1944 and 1951 the annual outlays of farmers for operating expenses increased from about \$11-billion to approximately \$21-billion. This phenomenal increase is due in large part to the higher level of prices for feeds, purchased livestock, and higher wages. A part of the increase is also accounted for by larger expenditures for fertilizers, insecticides, and other materials. About one-third of the increase is accounted for by the increased expenditures for the operation, maintenance, and depreciation of farm equipment. In view of this tremendous increase in farm operating expenditures and capital requirements since the end of World War II, it is not surprising that farmers have required an increasing volume of short-term credit in the postwar period. The aggregate of non-real estate debts owed by farmers at the end of 1951 (exclusive of CCC loans) is estimated at \$7.3-billion. This represents an increase of \$4.6-billion since 1944.

During the same period farmers increased their holdings of bank deposits, currency, and Savings Bonds by about \$6-billion.

Lower Net Income Forecast

The present prospect is for a somewhat lower net farm income in 1952 than in 1951. This is due primarily to the higher level of operating costs. In the absence of unforeseen developments there is every reason to expect a normal liquidation of short-term agricultural credits in 1952. This may be accomplished in part by a greater use of the facilities of the Commodity Credit Corporation for financing a part of the 1952 crop inventories of corn, wheat, cotton, and rice if there should be any weakness in the demand for these crops. Under

(CONTINUED ON PAGE 124)

MIDDLE EAST

Iran's Dictator Mossadegh, whose portrait is being carried by this group of excited Persian citizens, has fainting spells at dramatic moments. He has gotten himself involved with the communistic Tudeh party, which is playing along with the dictator for its own purposes, which are not hard to find. Russian troops are just over the border awaiting an excuse to march south. The country has many parades in its streets but no oil in its pipelines.



WIDE WORLD



"I FOUND A FRIEND . . . 1300 miles from home"

On an icy street in upper New York State, the car suddenly started to skid. Out of control, it crashed into a telephone pole. The car was badly damaged.

The driver, a man from Tennessee, was hurt . . . his mother seriously injured. He needed a friend, and found one quickly . . . the local U. S. F. & G. agent.

Far beyond the usual call of duty, the agent helped with

the details . . . phone calls, telegrams, a place to stay—and relief from worry. All medical bills were taken care of, and car repairs promptly made. The policy meant much more than just insurance.

The driver's appreciation is best expressed in his own words: "*When a man is 1300 miles from home, his car wrecked, and one passenger in the hospital, he needs friends. I found such friends in your Company.*"



Your local agent is constantly ready to serve you. Consult him as you would your doctor or lawyer. For the name of your nearest U. S. F. & G. agent, or for claim service in an emergency, call Western Union by number and ask for Operator 25.

U.S.F. & G.

CASUALTY

FIDELITY-SURETY

FINI

United States Fidelity & Guaranty Company, Baltimore 3, Md.
Fidelity Insurance Company of Canada, Toronto

METHODS and IDEAS

Operations . . . Public Relations . . . Personnel . . . Advertising

*This department is edited by
JOHN L. COOLEY of BANKING's staff.*

Direct Notice Form for Dishonored Checks

TWO forms designed to speed notice of dishonored checks in amounts ranging from \$50 to \$1,000 are being distributed by the Kentucky Bankers Association among its members. The KBA says it is indebted to the Vermont Bankers Association for the general form of the material.

The larger of the two items (see illustration) is pink, the smaller yellow. Their use, says KBA, is best illustrated by an example:

"Let's assume that a cattle buyer named Watson, from Clinton, Kentucky, comes to Danville to purchase some cattle. Watson buys several head from a Mr. Harvey and gives Harvey a check for \$359. Harvey deposits the check to his account in a Danville bank. The bank credits his account for \$359 and starts Watson's check on its way to Clinton.

"For one reason or another Watson's bank, in Clinton, dishonors Watson's check and returns it through the transit, or clearing, channels. It could take as long as 12 to 14 days before the Danville bank receives the returned check.

"In the meantime, Harvey is still operating on the assumption that he has a balance of at least \$359 in his account. It is to prevent this and similar situations that these forms were developed.

"The pink [larger] form is filled out in Clinton at the time Watson's check is dishonored, and both it and the check are brought to the attention of the responsible bank officer. The direct-notice form is then mailed directly to the first endorsing bank while the check is started on its way back through check-clearing channels.

"Within a day or two the Danville bank receives the notice. It then flags Harvey's account for \$359. The same pink form is attached to a yellow [smaller] one and both are mailed to Harvey. It may be five or six days before the dishonored check actually arrives back at Danville. But both the bank and the customer have been put on notice to take necessary action.

The two dishonored check notice forms used by the Kentucky Bankers Association. The larger, right, is shown in reduced size

"It is recommended that these forms and this explanation be given to the staff member who is responsible for stopping this type check in your bank. That person can then fill out—or act on—whichever form is necessary, at the same time calling it to the attention of the responsible bank officer."

Selling Banking to Job Applicants

ON the theory that it must "sell banking" rather than "buy help," CHEMICAL BANK & TRUST COMPANY of New York City encloses with each job application blank a four-page illustrated brochure, "A Chance to Show What You Can Do."

"It is our observation," says J. Stanley Brown, vice-president and personnel director, "that the average beginner is more interested in a chance to show what he can do than in starting salary or security. This brochure presents what we

To Our Depositor:

The attached notice was received today. It means that this item will soon be returned to us and charged to your account.

This new service by Kentucky Banks is an effort to notify customers more quickly of dishonored items.

The information below is to advise you of a dishonored item on which the returning bank believes advance notice will be helpful to you or to your customer.

The item is being returned through regular bank-clearing channels.

TO:

We are returning today through

Check for \$

Signed

Your Endorser

For the following reason

Member Banks of the Kentucky Bankers Association are cooperating in furnishing this information in an effort to discourage the improper use of checks.



The recently completed Kansas State Bank, Wichita, has a periscope that enables the telephone operator to find the person wanted. She just turns the gadget so that it reflects the various offices, and when she spots the man called, she rings him where he is

consider to be all the necessary elements in the opportunity awaiting the applicant."

The folder begins with this statement: "When they are job seeking, people are interested in many different factors. Almost always they rank high in their requirements for job satisfaction 'a chance to get ahead—to show what I can do!'"

"If a chance to show what you can do is one of the job satisfactions you are searching for, these pages will be of interest to you."

On the first inside page the applicant is reminded that banking is permanent: "It is no good to learn a job, then have your employer go out of business, leaving you 'holding the bag.' People can't get along without banks. Chemical Bank, for instance, has been on the job since 1824, through panics, wars, and depressions.

"If you do good work Chemical will be right here—ready to help you capitalize on it."

Other sections answer questions as to "Whose going to be interested in you?" (supervisors, counselors for study courses—and "Chemical people are friendly people . . . always interested in you as an individual, your happiness on the job, and the development of your career"); job progression (the opportunity to learn the job next up the ladder); advancement ("there is no other business or industry which concentrates on promotions from within the ranks so much as does banking").

Bank work is interesting, applicants are told. Banking is a vital

(CONTINUED ON PAGE 97)

A Bank's Toastmasters Club

ROD MACLEAN

MR. MACLEAN is assistant vice-president of Union Bank & Trust Company of Los Angeles.

AN employee activity which has a "two-way stretch," benefitwise, is public speaking. Several years ago, with management's blessing, a small group of Union Bank & Trust Company of Los Angeles employees organized a speakers' club. For the first year or so the pulmotor was needed at intervals to keep the young club alive, but more recently it has grown and flourished, and now has 51 members—29 active, 10 honorary, and 12 associate.

Active members are what the term implies. Honorary members are principally senior officers of the bank so voted by the membership. Associate members are those who are unable to attend regularly. In such case, they may request transfer to associate status. They must attend a certain number of meetings and continue to pay dues, but are excused from the more exacting participation of active members.

The group, functioning as the Union Bank Toastmasters Club, meets the second Monday of each month. Along about 5 o'clock, the members gather for a social hour. At 6 dinner is served, arrangements being under the direction of the food committee. The employees' cafeteria is used for this session.

BRIEF after-dinner speeches on assigned subjects are made by several members. Then the meeting moves to the employees' clubroom where necessary business is transacted. (In general, it's kept to a minimum.)

The pattern of this part of the program varies. Occasionally there are several one to two-minute talks, assigned or impromptu. These may be followed by a panel session of 15 to 30 minutes on a timely subject, led by several members, with participation from the floor. Next may come a 15-minute address by one member and then several five-minute talks.

We endeavor to conclude members' talks by 8:30 P.M. and give the remaining half-hour to a guest critic. The critics are members of speech departments of universities in the area, a different one being invited each month. They are invited to share the social hour and dinner as our guests. They are asked to give us five minutes or so of general comment on public speaking

and then to offer specific, helpful criticism of the speakers and speeches they have heard. They are paid for their participation.

This facet of the club's activity has a two-way benefit: First, the criticism is invaluable to neophyte speakers. Second, we are building good public relations not only with the critic, but with his university, from which we hope we may gain some new employees in the future. This is one reason for the rotation of the critics; we have representation from all local major colleges which have speech departments.

In addition to the public relations value of this rotation policy, we feel that we gain a wider perception of public speaking techniques and attitudes from a group of men than we would from only one.

THE principal result of the Toastmasters Club has been the vast improvement in the ability of all members to express themselves coherently and effectively in public. An interesting by-product is the development of greater confidence by members in all areas of their work and activities. A few have become outstanding in speaking and, equally important, in handling a chairman's assignment.

From among the better speakers developed by such a club program, it is possible to form a speakers' bureau within a bank, and to supply speakers on request, thus strengthening the institution's public relations. There are also, of course, the usual benefits of gathering socially each month.

Management is happy with the results; and certainly the group is happy with the opportunity for self-improvement. In fact, the popularity of the club has been such that women employees of the bank some time ago, requested permission to form a women's auxiliary and have been holding regular meetings for several months.

Evaluation of this activity would tab it as a "must" for the progressive bank. It develops the abilities of employees; permits spare-time discussion and exploration of bank functions and problems, as well as other subjects of general interest; gives selected members opportunity to benefit additionally from experience in official capacities; and contributes to the bank's public relations program.

[There's a club picture on page 97.—Ed.]

Letters Build Bank Business

They Enjoy High Prestige, Get Immediate Attention

MR. MACK is a deputy manager of the American Bankers Association, and director of the Advertising Department.

THE postman handed Mrs. Jones the morning mail at her front door. As was her habit, she stood there for a moment thumbing through the small stack of envelopes and other items.

Here were a couple of routine bills, a postcard from the local dry cleaner, a letter from Aunt Margie—and what's this? A letter from the bank! Personally addressed to her. Crisp, clean business-size envelope. Bank name in upper left corner. A 3-cent stamp in the other corner.

Stepping back inside the house, Mrs. Jones lost no time in opening the bank's letter. It said the bank had been pleased to serve her as a checking account customer for some time. It would also like to have her use some of the other services, particularly safe deposit.

"A good idea," thought Mrs. Jones. She'd been worrying about the safety of the Savings Bonds that were accumulating in the bureau drawer upstairs. And that's how Mrs. Jones happened to go to the bank and rent a safe deposit box.

Two Points

Now that's a simple story. Nothing spectacular. Yet it illustrates two points. A letter from the bank (if properly prepared) enjoys very high prestige among all classes of people. It gets immediate attention. And a personal letter is one of the most effective devices available to a bank for building new business on a selective, controlled basis.

These are the writer's opinions, and they are shared by hundreds of banks that use letters as part of their promotional programs.

In the 1952 survey of commercial bank advertising conducted by the Advertising Department of the Association, 2,449 banks gave details of their advertising plans for 1952. Of these banks, 757 said they made extensive use of letters.

JOHN B. MACK, JR.

A further detailed questionnaire was then sent to these letter-using banks. An effort was made to find just how letters were used for promotional and goodwill purposes, what methods prove most effective, and the general attitude of bankers toward letters as a means of communication.

Almost every banker making planned use of letters is enthusiastic about their value and their effectiveness.

Person-to-Person

Scores of the bankers surveyed said that letters are second only to personal contacts for building business. That is because a well planned letter is a person-to-person contact.

But almost all the banks surveyed warned against the "canned" type of form letter. The test of personalization is this: "Does the recipient feel that the letter is directed to him or her personally?" If not, much of the effectiveness is lost, and the result might even be a negative reaction.

This is not to argue that a standardized letter shouldn't be used to meet a certain situation. Numerous banks use letters to welcome newcomers to the community, for example.

Such letters are usually a standardized form, personalized with each individual's name. To each person the letter is fresh and original. Many banks have letter books or files of standardized letters to meet various conditions. Stenographers use the forms, personalizing them to meet each need.

Services Featured in Letters

All banking services are offered by letters. Bankers participating in this survey were asked to state the services they featured in their letters. The table at the top of the next column presents these answers:

Q. What Services Do You Offer By Letter?

	No. of Banks
Checking	193
Savings	188
Loans	182
Bank-by-mail	118
Institutional	95
Safe deposit	94
Trust	78
Agricultural	59
Educational	28
Special services (vacation club, Christmas Club, bank money orders, insurance, travelers checks, etc.)	25
Special facilities (parking lot, night depository, drive-in window, etc.)	20
Agricultural letter service or news analysis	10

In addition to regular banking services, there are many special-purpose letters used. Widely utilized, and usually with good results, are letters welcoming newcomers to the community, letters to graduates, and congratulations to newlyweds and to new parents. All of these tend to humanize the bank and build close friendships. Here is how banks employ "special-purpose" letters:

Q. What Special-Purpose Letters Do You Use?

	No. of Banks
Letters of welcome	
To newcomers in community	174
To new depositors	138
To new business concerns ..	12
To school teachers	5
	329
Letters of congratulation	
To school and college graduates	43
To new parents	42
To engaged girls	3
To individuals for special achievements, promotions, etc.	61
	146
Letters to closed accounts	60
Letters to borrowers when loan is paid	35

Anniversary letters and holiday greetings	24
Condolences and get-well letters	21
Letters to new borrowers	12
Letters to dormant accounts ..	6
Letters announcing opening of new branches	4

Then there is the important question of lists. There is an adage in the direct-mail field that "a mailing is no better than the list used." No matter how fine the message, or how carefully prepared is the physical letter, all's lost if the communication does not reach the right person. A letter offering home repair loans would hardly interest a retired gentleman living in an apartment!

This is one of the major problems facing banks in attempting to have a well organized letter program. Care and work are necessary. Even the depositor list, handy as it is, requires screening. It includes business firms as well as individuals, men as well as women, wealthy as well as wage-earners.

Banks in this survey were asked what lists they used. These are the answers:

Q. What Lists Do You Use For Making Mailings?

	No. of Banks
Depositors	225
Borrowers	100
Home owners	34
Newspaper clippings	30
Auto registrants	28
Welcome Wagon	27
Phone book	19
City directory	18
Chamber of Commerce	13
Utility company	12
Stockholders	12
Organization memberships	11
Purchase local lists	10
Farmers	10
Rural boxholders	10
Professional people	9
School teachers	8
Voters	8
Business payrolls	7
High school graduates	7
Court records	5
Trade groups	4
Influential citizens	4
Credit Bureau list of newcomers	4

Whenever this subject of letters is discussed, inevitably the question of techniques comes up. What is the best way to address letters? What is the best form of salutation? What type of postage is most effective?

Bankers were asked their opinions

and experiences on a few of the more important technical problems encountered in using letters. These are the answers:

Q. Which do you find effective—personal fill-ins such as "Dear Mr. Jones" or general salutations such as "To our depositors"?

Personal fill-ins	242
General salutations	40

Q. What type postage do you use for letters?

First class	270
Third class	30

Q. Do you use letters alone or with printed enclosures?

Letters with enclosures	152
Letters alone	119

Bankers' Comments

The participants were asked to express their general observations and suggestions on the use of letters by banks. On one point nearly all agree. Bank letters should be personal, neat, carefully planned and directed to the right person. Haphazard mailings do more harm than good.

Quite a few banks have installed automatic typewriting equipment. In this way their letters are actually typed individually to each recipient. Mimeographed and printed form letters have few supporters among those with experience in this field.

These are a few of the numerous comments received:

J. B. Grieves, executive vice-president, Butler Savings & Trust Co.,

"He gets a fit of depression every time he wonders whose savings those are that are going up so rapidly"



Butler, Pennsylvania: "Individually written letters get attention. Form letters have negative reaction."

Mrs. Carol Ackerman, advertising manager, Central State Bank, Oklahoma City: "We think direct mail is the best means of advertising we use. We mail at least 3,000 each month—letters only."

Clayton Rutledge, cashier, Bank of Commerce & Trust Company, St. Francisville, Louisiana: "Our experience has been very good. Our customers appreciate the thoughts contained and we very often have customers come in to tell us about having received the letters."

W. R. Smith, president, State Bank of Whiting, Whiting, Indiana: "A letter with a real message sent by first class mail or direct mailing is considered the most effective means of advertising."

Monroe A. Bloom, assistant vice-president and advertising manager, The Anglo-California National Bank, San Francisco, California: "Effective, both in terms of results and unit cost, when properly planned, executed and timed. Proper planning includes a logically selected up-to-date mailing list. Proper execution includes exhaustive attention to copy. Use is proper when market is small, or selective when a personal approach is appropriate, when geographical limitations are desirable, when detailed explanations are necessary—best accomplished by letting an accompanying printed pamphlet bear the burden of detail."

George H. Jackson, president, The Lynbrook National Bank & Trust Company, Lynbrook, New York: "We have found the combination of the personal visit by the representative of Welcome Wagon and then our letter, which is signed by the president, to be quite effective."

Emerson S. Sturdevant, vice-president, The Continental Bank & Trust Company, Salt Lake City, Utah: "We have been able to observe a definite result from the use of direct mail. We feel that this, of course, obtains best results if directed to a selected list of names chosen for the service being offered."

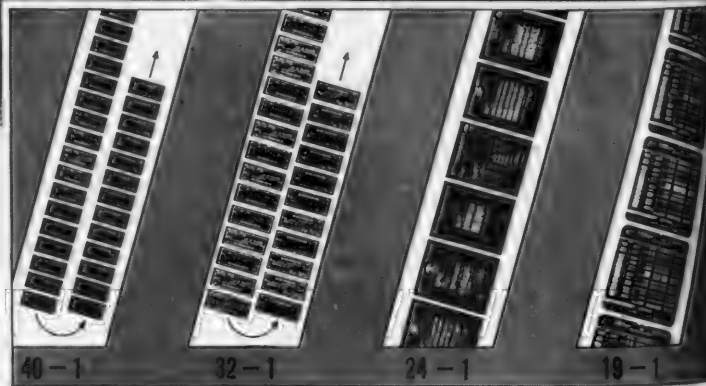
H. Prentice Browning, vice-president, Worcester County (Massachusetts) Trust Company: "We have found letters valuable in selling other bank services to customers currently using only one or two, particularly consumer loans and special checking."

INTRODUCING

... the Recordak Bantam Microfilmer

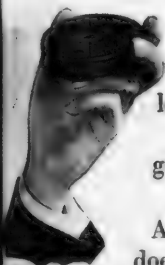


You can feed checks by the handful. The built-in automatic feeder does the rest . . . eliminates individual check-handling . . . enables you to take over 500 pictures per minute.



You have this choice of reduction ratios . . . and you can change from one type of recording to another in a matter of minutes—simply by substituting the desired type of lens kit in the camera.

...the "desk-top" microfilmer that gives you more pictures per foot of film...at sensational speeds.



Now... you can record up to 29,000 check images... up to 10,700 letter-size documents on a 100 foot roll of 16mm. Recordak Microfilm—the greatest number of pictures ever... at the lowest film cost per picture!

And the Recordak Bantam Microfilmer does more than cut film costs—it enables you to microfilm at maximum speeds... with maximum convenience.

It features a built-in automatic feeder which whisks over 500 checks into the microfilmer per minute; over 200 letter-size documents. *And as for convenience*—look at the compactness of this new microfilmer... less than 4 sq. ft. of desk space is required... everything's at the operator's finger tips—the feeding tray and the receiving tray, for example, only inches apart.

Versatility Plus

Documents up to 11 inches wide, any length, can be photographed in the Recordak Bantam Microfilmer at varying reduction ratios to suit your convenience. For "Recordak" is a trade-mark

example, records 11 x 14 inches in size can be photographed at a 40-1 reduction ratio, which gives you maximum film economy; also at reduction ratios of 24-1 and 19-1, using readily interchangeable lens kits.* Documents less than 9 inches wide can, in addition, be photographed at a 32-1 reduction ratio with an accessory lens kit.*

Buy or rent at these low prices

The Recordak Bantam Microfilmer (with one lens kit) and its companion piece, the Recordak Film Reader (Model P-40), can be purchased outright for \$2225. And one year of service—including parts replacement—will be provided at no extra cost.

The rental cost for this combination is \$43.50 per month... with no extra charge for servicing or necessary parts replacement.

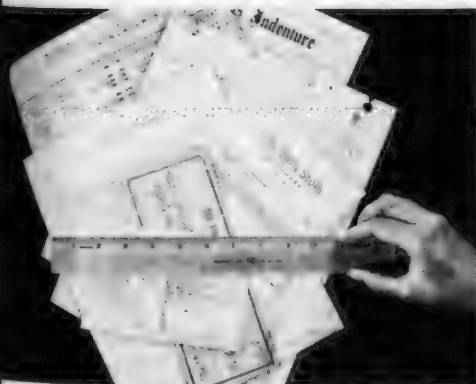
Write today for complete information on the Recordak Bantam Microfilmer. Recordak Corporation (Subsidiary of Eastman Kodak Company), 444 Madison Avenue, New York 22, N. Y. *accessory equipment at slight extra charge

All prices quoted are subject to change without notice.

RECORDAK

(Subsidiary of Eastman Kodak Company)

originator of modern microfilming—and its application to banking systems



You can record all documents up to 11 inches wide, any length, in the Recordak Bantam Microfilmer. Thus, deeds, legal-size documents, etc., can be recorded as well as your smaller items.



Your film records will be enlarged sharp and clear in the Recordak Film Reader (Model P-40). And large-size facsimile prints can also be produced quickly—directly from your microfilms.



At a recent record-breaking, day-long banker-farmer conference at Ohio State University 600 people—100 bankers and 500 farmers—turned out to participate in tours, demonstrations, and discussions of labor-saving techniques and equipment for the average farm. Bankers' role in financing farm equipment was thoroughly explored. The conference was sponsored by the agricultural committee of the Ohio Bankers Association. Some of those attending are shown above

News for Country Bankers

This department is edited by
MARY B. LEACH of BANKING's staff.

National Ag Representative Conference in Louisville

WHILE the program for the national conference of bank agricultural representatives to be held in Louisville, Kentucky, on November 13 and 14, under the auspices of the Agricultural Commission of the American Bankers Association, is still in the planning stages, the general outlines are beginning to take shape. The theme around which this program is being built is "Finding Ways of Improving Farm Credit Techniques."

This conference was called because of the growing number of banks having full or part-time farm credit men. The Commission feels that this conference of farm leaders for an exchange of ideas on methods and operations will meet a need not only of banks having these representatives, but of banks contemplating the creation of a separate farm credit department.

The program will include several

panel group discussions, following each of which a liberal amount of time will be set aside for audience participation. Topics such as the following will be covered:

Internal operating problems of an agricultural department and their solution; available tools and how they can best be used; outside problems and opportunities; spotlighting some successful programs and how they got that way; value of an outside agricultural representative; discussions of banks with separate departments and panels on banks without separate departments; and a general session in which a broad outline for an agricultural department with a credit man in charge would be suggested.

W. W. Campbell, president, National Bank of Eastern Arkansas, Forrest City, is chairman and A. G. Brown, A.B.A. deputy manager, director of the Agricultural Commission.

5th District Ag Man Study

A SUMMARY of the findings of a survey of banks in the Fifth Federal Reserve District reveals

that a good many banks are stepping up their farm credit business by establishing farm departments manned by trained agricultural specialists. This survey, made by the Federal Reserve Bank of Richmond at the request of the Virginia Bankers Association, was published last month. It is entitled *An Agricultural Man In Your Bank*.

There are now 20 banks in the Fifth District which have farm departments, against only one 10 years ago. Fifth District includes: Maryland, Virginia, North Carolina, South Carolina, West Virginia, and the District of Columbia.

Devoid of statistical analysis, the survey is an informal recitation of facts and opinions gleaned from interviews with executive officers and agricultural specialists of all of the district's banks which have farm departments.

Disaster Loan Outlook

DILLARD B. LASSETER, administrator of the Farmers' Home Administration, who must pass upon all disaster loan applications, has assured the American Bankers

Association that politics will play no part in the granting of disaster loans.

The law authorizing disaster loans provides that only those who are unable to get loans elsewhere are eligible for this credit.

Mr. Lasseter outlines the Government's disaster loan credit policy thusly:

(1) Banks should retain undisturbed all their present liens and mortgages, and are asked to agree not to foreclose in return for the Government's willingness to take subordinate liens.

(2) Every effort will be made to prevent livestock farmers from selling "foundation stock," particularly in the South.

Among the banks that are on their toes in advising customers that they are ready to make disaster loans are three Clarksville, Tennessee, trade area banks—the Northern Bank of Tennessee, First Trust & Savings Bank, and The First National Bank of Clarksville.

In a joint newspaper advertisement these banks warned their customers, in display type: "Don't Sacrifice Livestock." With a minimum of copy, the Clarksville farmers were reassured that these banks were ready to make needed loans.

In clarifying its position with respect to disaster loans, the Virginia Bankers Association enunciates its views in this three-point statement:

"(1) The Virginia Bankers Association recognizes that each individual bank must meet this problem in accordance with its own established procedures.

"(2) The bankers of Virginia have always recognized the vital part which agriculture plays in our state and they have always cooperated in programs dedicated to its advancement. This includes, when necessary, the extension of credit in accordance with sound lending procedures.

"(3) The current consensus is sufficient local credit is available and that farmers need not, at this time, apply to any Federal agency for funds."

Farm Bills Incorporate A.B.A. Aims

UNDER several identical bills introduced shortly before the adjournment of Congress, and known as "The Farm Credit Act of 1952," the long-term position of the



Each of the Lone Star State's 12 Extension Service Districts features its agricultural crops in exhibits at the State Fair of Texas which is held each year in Dallas (1952 dates October 4-19, inclusive). George V. Holmes, vice-president and agriculturist of the Gonzales State Bank, regularly serves as a member of his district's exhibit committee. Above is the 1951 State Fair exhibit which Mr. Holmes helped to plan for his district. This exhibit features principal crops and livestock and shows, in center, a map of the district.

American Bankers Association that the supervision of the Farm Credit Administration should be an independent nonpartisan board would be realized.

This legislation was drawn by a Joint Farm Credit Committee, composed of representatives of the Farm Bureau, Grange, and the National Council of Farmer Cooperatives. The Association's Subcommittee on Farm Credit, headed by Jesse W. Tapp, executive vice-president, Bank of America, San Francisco, met with the committee early this year and presented the A.B.A.'s position.

Another aim of the A.B.A. would be achieved in that the bills provide for the payment of a franchise tax on the net earnings after reserve requirements. This would afford the United States a return upon capital in the FCA district institutions. The A.B.A. has held that the co-operative agencies of the FCA that have Government capital should pay interest for the use of this capital at a rate at least commensurate with the cost of funds to the Treasury. "The fact that the farm organizations," said A. G. Brown, director of the A.B.A.'s Agricultural Commission, "have recognized that the FCA agencies should pay for the use of Government money is commendable."

This legislation will, of course, have to be reintroduced in the next Congress.

Copies of a summary of the pro-

posed measure may be obtained from the Agricultural Commission at 12 E. 36th Street, New York.

"Taxaid" for Farmers

"TAXAID" is the name given to a new bookkeeping and tax record service offered to customers by the Warren County Bank and Trust Company, Indianola, Iowa.

Each farmer wishing to make use of the bank's new service may open a "Taxaid" account. This account is essentially the same as a regular checking account, with these additional features:

Customers are provided with specially printed checkbooks. On the inside front cover and back cover of these books is printed a series of numbers and headings corresponding to the deductions allowed farmers on income tax form 1040F. As farmers pay their bills by check, they have only to look in their checkbooks to determine which "key numbers" correspond to the checks they are writing. They then write these numbers in the lower lefthand corner of the checks.

When farmers go to the bank to deposit their checks, they find that making deposits is a simple matter. The numbers and various classifications of each type of farm income are printed on deposit tickets. All customers have to do is write in the amount of their checks in the space for the type of income represented.

With these key numbers on checks and deposits, the Warren County Bank and Trust Co. is able to give this service to each of its "Taxaid" account customers:

(1) Provide the regular monthly statement.

(2) List each deductible expense paid during the month.

(3) List different categories of income during the month.

(4) At the end of the year, provide a summary, showing a total of each type of expense and total income.

"We feel that the service is a needed one," says Executive Vice-president S. M. Hogshead, "for the simple reason that too many good people in our community, and we assume others, are being embarrassed because of inadequate records."

Woes and Joys of Country Banking

THE "Woes and Joys of Country Banking" is the theme of an article by Grace D. Stalcup, president of the Winfield (Alabama) State Bank, appearing in the latest issue of *The Woman Banker*.

In a discussion of how her bank meets a multiplicity of problems with a limited staff, whose members "have to be jacks of all trades and masters of none," Mrs. Stalcup tells how the bank relies on its big correspondent banks for "legal investments" information.

"We depend entirely," she said, "on our big correspondent banks for advice on our investments. They have experts, trained to evaluate the bonds offered, experienced in market trends, and in close touch with the financial markets. We have found them most willing to help and their advice is sound. In fact, we take many problems of a varied

nature to our correspondent banks. Many of them have been wonderfully helpful in various ways. . . . They have been most patient to listen to our problems, and most generous with advice and suggestions."

Skelly Oil Honors Banker

JACK B. WALKER, vice-president and cashier of the National Bank of Commerce, Pawhuska, Oklahoma, was honored recently with the weekly award for agricultural achievement made by the Skelly Oil Company. Announcement of the award was made by President W. G. Skelly over the company's NBC program.

Simultaneously, Mr. Walker was honored locally by a breakfast tendered by the Skelly Oil to him and 150 of his friends and associates. The award was presented at the breakfast.

Mr. Walker for many years has been associated with his father in breeding and raising registered Hereford cattle and is active in various agricultural and civic organizations.

A 16-Point Farm Program

THE outside farm platform of The Peoples National Bank of Lawrenceburg, Indiana, has 16 planks, each of which has from one to seven subsections. Under plank No. 3, "Promotion Work with Youth Groups (FFA and 4-H)," the activities enumerated by Marvin E. Grimes, the bank's farm representative, include the following:

(1) *Registered Duroc gilt project.* Approximately 25 FFA boys have gilts furnished by the bank and another 15 were previously launched in the hog business through gilts provided by the bank.



Jack B. Walker

(2) *Guernsey showmanship award at county fair.* The bank took the lead in getting high quality Guernsey cattle started. An annual award is made to the FFA or 4-H exhibitor with the best animal.

(3) *Livestock judging contest.* In a countrywide beef, dairy, and swine contest around 100 boys vie for top honors in three classes. Plaques and medals are provided by the bank. The bank pays for a judge, usually from Purdue University. Mr. Grimes acts as general chairman.

(4) *FFA and 4-H banquet-show-dance,* open to all Dearborn County members in good standing, 4-H leaders, FFA advisors, county agents, home demonstration agent, bank presidents, and distinguished guests. (Initiated in 1952 and attended by over 400 rural young people.)

(5) *Achievement pins for 4-H leaders* in the county, paid for by the bank.

(6) *Fish fry for all County Fair exhibitors* in the livestock and farm products classes.

Some of the other principal planks cover: (1) Cooperation with civic and industrial groups in agricultural programs; (2) credit cooperation with equipment dealers; (3) chattel mortgage inspection; assisting borrowers in working out more profitable farm plans; (4) farm record books and calendars; and (5) issuance of monthly bulletin, "Farming Facts Worth Knowing."

How Farm Research Helps

HOW North Carolina's nationally known agricultural research program has improved production

(CONTINUED ON PAGE 126)



The Hart County (Kentucky) Deposit Bank, Munfordville, marks the closing of its first Farmers Home Administration insured mortgage loan. William A. Jagers, left, receives check from Cashier L. F. Murray. At rear, Mrs. Jagers, Raymonda Jagers, President H. L. Caldwell, and P. G. Rowlett

FIELD WAREHOUSING

Warehouse Receipt Loans Against Inventory

Banks contemplating Warehouse Receipt Loans against goods stored on the borrower's own premises should give consideration to the Warehouseman's experience and the capacity of his organization. It is recognized and a matter of record that we are specialists in Field Warehousing . . . that our experience is extensive . . . our integrity established. The fact that not one bank holding our Warehouse Receipts has ever lost a dollar because of shortages, or the invalidity of our Warehouse Receipts is assurance of a competent, safeguarded operation.



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Banks Outdistance Others in Farm Credit

BANKS have been called on by farmers in 1951 to help meet their increasing credit requirements. Much of this increase in borrowing involves short-term credit obtained through nonreal estate loans. As a result, banks have become more important as a farm credit source since they normally furnish a much larger proportion of production loans to farmers than farm real estate loans.

The job which banks continue to render in meeting the needs of agriculture is indicated in the eleventh annual survey of farm credit recently completed by the Agricultural Commission of the American Bankers Association.

During 1951, the study shows that all banks loaned \$6.2-billion to 2,110,526 farmers throughout the nation, covering their operating capital and long-term credit needs. This represents 39.2 percent of the farmers of the United States. Of the \$6.2-billion borrowed during 1951, \$4.1-billion remained outstanding at the year's end.

By comparison to the \$6.2-billion loaned by some 13,000 chartered banks to farmers during 1951, the

Purpose of Short-Term Loans by Banks in 1951

	U.S.	NE	So.	M'wst	West
Livestock	26%	23%	25%	27%	25%
Operating expenses	24	17	28	14	38
Machinery, equipment	24	38	21	28	
Bank debt renewal	10	7	6	16	7
Improvements, land	6	5	8	5	4
Living expenses	4	1	5	2	5
Refinancing	3	5	3	3	2
Unclassified	3	4	4	5	3
	100%	100%	100%	100%	100%

Production Credit associations, the Federal Land banks, and the Farmers Home Administration loaned a total of \$1.6-billion to 423,859 farmers. (See table at left below.)

Farm Production Loans

Farmers borrowed over \$5.8-billion from banks during 1951 for production purposes as compared with \$4.7-billion during 1950. Operating capital requirements of farmers have increased more than their need for loans on farm real estate. A survey of the 3,000 county key bankers made by the A.B.A. Agricultural Commission revealed the purpose for which short-term farm loans were made by banks during 1951. The breakdown of this information is shown in table above.

Of the \$5.8-billion production credit borrowed from banks during 1951, \$3.1-billion remained outstanding at the end of the year. The nonreal estate production loans made by banks and cooperative and Government agencies totaled about \$7.3-billion for 1951. This was about 22 percent higher than a year earlier and believed to be a record high. Notwithstanding the record level of short-term farm debt, no widespread repayment difficulties by farmers have been reported.

Farm Mortgage Loans

During 1951, some 127,000 farmers borrowed \$445,000,000 from banks to finance the purchase of land, make improvements, purchase equipment, meet production and operating expenses, and refinance existing short-term indebtedness. The survey mentioned previously revealed that about half of the farm real estate loans made by banks during 1951 were for purposes other than the buying of farm land. At the end of the year, banks held \$1-billion of these loans, or about 4 percent more than a year earlier. This is considerably less than the farm real estate debt held by banks in 1922 when it was \$1.5-billion. As of January 1, 1952, banks held 16.6 percent of the total farm mortgage debt.

The chart on the opposite page shows a comparison, by states, of bank lending during 1951 with that of the Federal Land banks and the Production Credit associations. Banks in every state loaned more to farmers for production purposes during the year than did the PCAs. On the other hand, farm real estate loans made by banks in 1951 exceeded those made by the Federal Land banks in all states but Idaho, Kansas,

Nationwide Comparison of Farmer Lending By Banks and Cooperative and Government Agencies

	Farmers Borrowing in 1951		Amount Borrowed by Farmers in 1951		Amount Outstanding Jan. 1, 1952
	Number	% of All Farmers in U. S.	Total	Average per Borrower	
			1,000 Dol.		1,000 Dol.
From All Commercial Banks:					
Nonreal Estate Farm Loans.....	1,983,107	36.9	\$5,812,168	\$2,931	\$3,120,088
Loans on Farm Real Estate.....	127,419	2.4	445,857	3,499	1,046,729
TOTAL all Commercial Banks.....	2,110,526	39.2	\$6,258,025	\$4,166,817
From Co-operative Agencies:					
Production Credit Associations.....	283,053	5.3	\$1,310,034	\$4,628	\$561,371
Federal Land Banks.....	39,461	.7	211,377	5,375	984,430
From Farmers Home Administration:					
Production and Subsistence.....	97,898	1.8	133,466	1,363	269,196
Farm Ownership—R/E Mortgages.....	3,447	.1	35,036	10,164	233,365
TOTAL Co-op. and Govt. Agencies.....	423,859	7.9	\$1,689,913	\$2,048,362

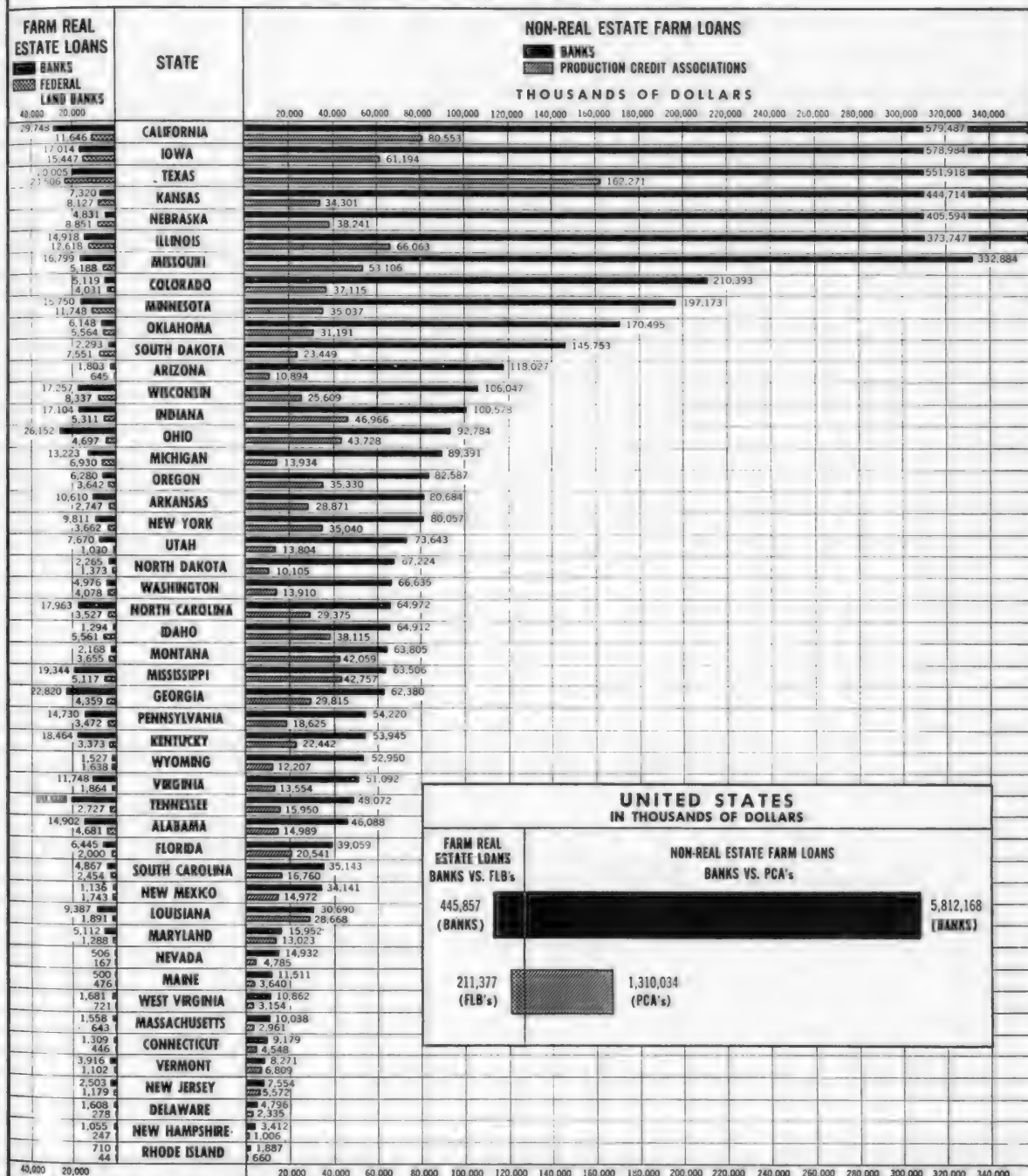
SOURCE: Agricultural Commission, A. B. A.; FDIC; Farm Credit Administration, United States Department of Agriculture.

Montana, Nebraska, New Mexico, South Dakota, and Texas.

In addition to financing farmers' production and farm real estate credit requirements, approximately 4,000 banks participated in the Government's price-support program and at the close of 1951, banks held \$290,000,000 of these CCC loans.

As the financial structure of agriculture has changed in recent years, a greater responsibility has been placed on banks in providing farm credit. In light of high farm production costs, banks may expect to be called upon to supply a record volume of production credit to farmers this year to help them maintain the maximum volume of farm production.

FARMER BORROWINGS DURING 1951 LOANS MADE BY BANKS COMPARED WITH THOSE MADE BY FEDERAL LAND BANKS AND PRODUCTION CREDIT ASSOCIATIONS



SOURCE: COMPILED BY THE AGRICULTURAL COMMISSION OF THE AMERICAN BANKERS ASSOCIATION FROM SURVEY MADE BY THE COMMISSION AND FARM CREDIT ADMINISTRATION DATA.

BANK LAW NEWS

Attachment—Savings and Loan Branches—Usury

DELINQUENT TAXPAYER'S ACCOUNT

**Government Need Not Present Passbook
In Order To Seize Money in Savings
Account.**

WHEN the Federal Government levies upon a savings account to recover taxes owed by the depositor, the bank holding the account cannot set up as grounds for refusing to turn over the funds, the fact that its contract with its depositor and Federal Reserve Regulation Q provide that money shall not be paid out of a savings account without presentation of the depositor's passbook, which the Government did not have.

This was held by the U. S. Court of Appeals for the Second Circuit, in overruling a New York Federal District Court. The higher court ruled that a regulation of the Board of Governors of the Federal Reserve System cannot abrogate the power given the Treasury to enforce the collection of taxes, and that the bank and its depositor cannot contract themselves free of a Federal statute permitting seizure of delinquent taxpayers' property held by banks.

There are two defenses to the statute (26 U.S.C. 3690), the court pointed out: That a bank is not in possession of the taxpayer's property, or that the property is subject to a prior judicial attachment or execution. Without one or the other of these defenses, the Government is entitled to a taxpayer's money in accordance with its warrant of distraint. *U. S. v. Manufacturers Trust Company*, U. S. Ct. App., 2d Cir., July 28, 1952.

USURY

THE Arkansas Supreme Court has held unconstitutional provisions of the Arkansas Instalment Loan Law of 1951 permitting lenders to collect

service and insurance charges in addition to 10 percent interest, the maximum rate permitted by the state constitution.

The court in two separate cases held that the extra charges authorized by the act rendered loans usurious. The charges, the court held, "were in all essentials, interest on the money loaned." The court specifically found fault with the fact that the charges were not limited to "bona fide services actually rendered" by third persons, but might include the lender's own overhead costs, and that lenders might require life and health insurance without regard to the needs of the borrower and earn an agent's commission in the process. *Strickler v. State Auto Finance Co.*, 249 S.W. 2d 307, and *Winston v. Personal Finance Co.*, 249 S.W. 2d 315.

SAVINGS AND LOAN BRANCHES—I

**"Legislation By Indirection" Permits
Federal Associations To Have Branches**

THE Federal District Court in Pennsylvania, which decided some months ago that because the law authorizing creation of Federal savings and loan associations mentions their "home offices," Congress intended them to have branches, now has company. The Massachusetts Supreme Judicial Court has rendered its opinion that the Home Owners Loan Act "expressly" authorizes the Home Loan Bank Board to permit Federal associations to establish branches.

Asked to consider the fact that the act makes no explicit provision for branches but the Board regulations permit their establishment, the court reasoned as follows: "The act, to be sure, does not use the word 'branch,' but it does contain provisions which seem consistent only with the conferring of such a power upon the board." Associations may

lend upon property within 50 miles "of their home office" and may convert into state associations pursuant to the laws of the state in which their "principal office" is located. Use of these terms would be pointless unless branches were authorized, the court said.

Continuing, the court noted that the act empowers the Board to prescribe rules and regulations for the establishment of Federal associations and to issue charters to them, "giving primary consideration to the best practices of local mutual thrift and home-financing institutions." This, said the court, constitutes an express authorization to the board to consider the establishment of branches to be among "the best practices."

It then follows, said the court, that Massachusetts statutes prohibiting the establishment of a branch of any savings and loan association in a municipality more than 15 miles from that in which its main office is located cannot prevent establishment of a Federal "local mutual thrift institution" in a city 41 miles from its home office.

In the course of its decision, the court observed that the Board's discretion in authorizing the establishment of branches "is to be unaffected by state lines," and that if its decision is "not in accord with the most approved principles of economics, the remedy must lie with Congress." *Springfield Inst. For Savings v. Worcester Fed. S. & L. Assoc.* Mass. Sup. Jud. Ct., July 3, 1952. See also *Bank Law News* for June 1951 and February 1952.

SAVINGS AND LOAN BRANCHES—II

**On the Difficulties of Suing the
Home Loan Bank Board**

A GROUP of New York savings and loan associations recently sued in
(CONTINUED ON PAGE 72)



Federal Banking Law Reports

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tions, concerning the important federal regulation and control of banks and banking. Pertinent full text provisions, forms, detailed explanations, editorial comments and suggestions make clear exactly what to do, and how and when and why to do it in handling every day banking puzzlers under federal banking regulation.

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The longest way around may be the shortest way to bigger yields

Soil's life lines are not straight lines . . . it takes crooked rows to farm on the level.

To keep a farm from running downhill, we must keep water from rushing downhill. When running water is slowed to a walk, it keeps the farm at home.

Conservation is simply protecting what we have today so we'll have something left tomorrow. It's good business any time. Using land to its best advantage — rotating crops, leaving grassed waterways, contouring, strip-cropping, building ponds, planting marginal sections to grass and timber — is a big job that re-

quires our combined efforts.

If we're to save our dwindling supply of rich topsoil, we must work together. Conservation demands teamwork. Saving our soil is a job for all of us — for we who design and build farm machinery . . . for the farmers who use it . . . and for you, the agricultural specialists who work with and guide America's 6 million farmers.

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(CONTINUED FROM PAGE 70)

Federal court, alleging that the Home Loan Bank Board's action in granting a local Federal association permission to establish a branch "was illegal, contrary to law and regulations, arbitrary and capricious and against the weight of evidence," and that the opening and operation of the branch violated the Association's charter and the act of Congress under which it was granted, and New York law as well. They asked for a declaratory judgment to that effect, and for an injunction against operation of the branch. A copy of their summons and complaint was mailed to the office of the Board in Washington, and to the Attorney General, and delivered to the local U. S. Attorney.

The Board moved to quash service of summons and to dismiss the complaint, on the grounds that plaintiffs had failed to comply with the Federal Rules of Civil Procedure, which require that service be made by "serving the United States and by delivering a copy of the summons and of the complaint to such officer or agency."

The United States District Court for the Eastern District of New York granted the motion. While it stated that "it would seem for all practical purposes, the Government and its agency have been fully apprised of the plaintiff's claim," it held that there had not been compliance with the rule and that it could find no authority permitting it to brush aside the Board's objection, "however technical and non-meritorious it seems to be." Queens County Group of S. & L. Assoc. v. Home Loan Bank Board, 104 F. Supp. 396.

"EXAMINATION FEE" IS A TAX It Violated Constitutional Requirement for Taxing According to Value.

FOR many years prior to its amendment in 1951, a Utah statute required banks to pay into the State Financial Institutions Fund fees for supervision and examination, assessed on a sliding scale based upon the aggregate assets of the bank, and ranging from \$100 for banks with assets of \$100,000 or less, to \$1,500 for banks with assets over \$15,000,000.

On the suit of a bank which paid the fee under protest, Utah's Supreme Court has held that the

charges imposed by the statute were not fees, but taxes, and, accordingly, that the bank was entitled to recover what it had paid under protest.


The bank had alleged that the "fees" were in fact ad valorem property taxes and as such violated provisions of the Utah constitution requiring all tangible property to be taxed in proportion to its value. The court did not specify what sort of tax the charges were, but merely held that they were taxes and were taken in violation of the Constitution, since all banks having assets within a certain statutory bracket were required to pay the same tax. Instead of being taxed in proportion to value, the court explained, a bank with assets of \$80,000,000 would pay the same tax as one with \$60,000,000. The court also volunteered that if the fees "were considered intangible property taxes they would still be invalid for the same reason."

THE court also based its finding that the charges were taxes on the fact that they bore no reasonable relationship to the amount of work or time spent in examining any individual bank, and upon the fact that the fund into which the "fees" were paid was not used solely to defray the cost of supervising and examining banks, but to finance the entire operation of the banking department. The court pointed out that part of the fund was used to pay for examination of state depositories, including national banks which pay nothing into the fund; and that sums in the fund in excess of \$25,000 at the end of a fiscal year revert to the general fund, to be appropriated for any state purpose.

Although it held the "fees" to be taxes because they were arbitrarily related to assets, the court said that "it should be noted that there does not need to be exactitude in establishing fees in performance of services. It is sufficient if the fee is worked out on an average or bracket basis, that is, a standard fee may be established to be charged in all cases within certain brackets, even though in some cases within the bracket there may be more work to be performed by the person rendering the service than in other cases, provided that in no case the standard fee is unreasonably in excess of the value of the services rendered." *Commercial Bank of Utah v. State*, 224 P.2d 364.

Republic

NATIONAL BANK of Dallas



Leader
in
Correspondent
Banking



CAPITAL AND SURPLUS \$42,500,000 • LARGEST IN THE SOUTH

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Other Organizations

The news in this department is edited by WILLIAM P. BOGIE of BANKING's staff.

PBA Textbook

'YOUR BANK,' a 96-page textbook written by George L. Leffler, professor of finance, The Pennsylvania State College, is being published by the PENNSYLVANIA BANKERS ASSOCIATION in cooperation with the Bureau of Business Research of The Pennsylvania State College.

The book presents an entirely new approach to the study of banking. It is divided into three sections on "Services," "System," and "Safety," and its 15 chapters describe every important bank service, give a concise picture of the banking system of Pennsylvania, and outline the methods used by banks to safeguard the depositors' money. It is written in nontechnical language and gives the layman a clear insight into the complex business of banking.

Your Bank has been especially written for use in the schools of Pennsylvania. It can be used in courses on economics, banking, commercial subjects, problems of democracy, mathematics, etc. It is a textbook for pupils in public, private, parochial, and business schools, and is applicable at the college level. The PBA personnel education committee has also reported that it will provide a splendid indoctrination text for new bank employees, and for interested bank customers.

The foreward to *Your Bank* was

written by Dr. Milton S. Eisenhower, president of The Pennsylvania State College.

* * *

Florida Salaries

IN view of recent changes in wage and salary controls and Federal policy pertaining to regulation of wages and salaries, the Florida Bankers Association is conducting a bank wage and salary survey.

The questionnaire being used requests information on deposit breakdown and number of accounts by categories; information on the bank's locality; number of officers and employees; bonus payments, plans for group life insurance, hospitalization, and retirement; banking hours; vacation policies; overtime payments, and salary schedules. The information, of course, is treated as confidential.

* * *

School Days

SANS tie and coat, 79 bankers from New York, Connecticut, Delaware, Massachusetts, Rhode Island, Canada, and Cuba journeyed to classrooms recently to learn first hand what this intangible thing—public relations—is all about.

The scene was Syracuse University, home of the fifth annual resident session of the Bankers School of Public Relations, sponsored by the New York State Bankers Association.

Instruction in the freshman year

deals with the fundamentals, tools, techniques, and psychological aspects of a bank's relations with the public. The underlying philosophy and psychology affecting adjustments, drives, and emotions of people are dealt with in regard to banker-customer-personnel relations.

The second phase of the program—the senior year—deals with the practical application of these fundamentals in business development and customer cultivation. Included are various proven methods for maintaining and strengthening relations with stockholders, officers, directors, employees, customers, the community and public-at-large. The objective is to insure that the bank is obtaining the maximum potential of new business available from its community. Ways and means of doing this are stressed throughout. The curriculum also deals with modern methods of operation, banking facilities, and services. Bankers are shown how to use such tools as publicity, press relations, advertising, semantics, persuasive speaking, and writing. Emphasis is also placed on the development of leadership training.

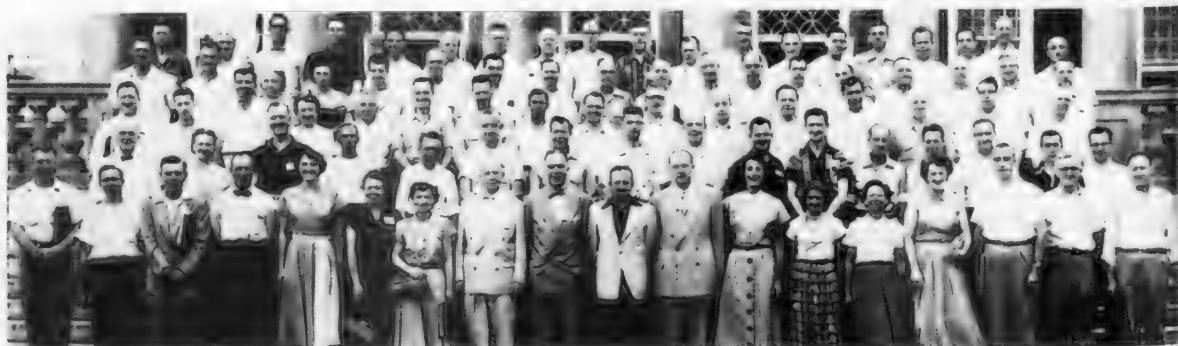
The school is conducted annually and at the completion of two summer resident sessions, certificates are awarded to all graduates.

JOHN J. MACKLIN

* * *

The sixth annual BANK STUDY CONFERENCE of the ALABAMA BANKERS ASSOCIATION was held at the

Banker students attending the Bankers School of Public Relations of the New York State Bankers Association



SOME NEW STATE ASSOCIATION PRESIDENTS

Left to right: MONTANA—G. P. Drowley, president, First National Bank, Glendive; WEST VIRGINIA—E. E. Bailey, president, Princeton Bank and Trust Company; NEW JERSEY SAVINGS BANKS—Howard D. Biddulph, vice-president and trust officer, Bloomfield Savings Bank



state university for four days in the first week of August.

The first session was on the functions and accomplishments of the American Institute of Banking. This subject was discussed by Alton P. Barr, immediate past president of the A.I.B. Other subjects at later sessions were: lending to cotton merchants, the business outlook, value of life insurance from a banker's point of view, Federal taxes, audit programs for small banks, and various economic and operational themes.

* * *

THE CONNECTICUT BANKERS ASSOCIATION'S second annual PUBLIC RELATIONS CLINIC will be held at the University of Connecticut, September 2 to 5. Subjects on the agenda are personnel policies and administration, customer relations, public speaking, merchandizing and selling, advertising, publicity and press relations, and banks' relations with farmers and with young people.

* * *

THE VIRGINIA BANKERS SCHOOL held its twelfth annual session on the University of Virginia campus from August 25 to 29 under the sponsorship of the VIRGINIA BANKERS ASSOCIATION.

The curriculum included economics, mortgage loans, business loans, investments, operations, consumer credit, bank insurance, taxes, and costs and charges. One of the special lecturers this year was American Bankers Association President C. Francis Coker, a former president of the VBA, and president of the First National Exchange Bank, Roanoke.

* * *

Its ninth annual session was held from August 18 to 22 by the AR-

KANSAS BANKERS SEMINAR, whose joint sponsors are the School of Business Administration of the state university and the ARKANSAS BANKERS ASSOCIATION. The faculty's lectures covered such subjects as economics, operations, credit, management, and public relations.

* * *

THE SCHOOL OF BANKING AT THE UNIVERSITY OF VERMONT will meet from September 7 to 12, for its fifth annual session under the sponsorship of the VERMONT BANKERS ASSOCIATION, and the Department of Commerce and Economics of the state university. The courses will include a wide variety of subjects—investments, loans, mortgages, savings, internal controls, the Government bond market, operations, interest rates, customer statement analysis, and evaluation of checking accounts, to name some of the more important ones.

* * *

Employee and Client

SIXTY percent of the nation's financial public relations executives feel that the improvement of the employee-client relationship is the major public relations problem facing banks today.

This finding was established by a mail survey of FINANCIAL PUBLIC RELATIONS ASSOCIATION members, conducted by Researcher Al Wood, editor of the market research department of the *FPRA Bulletin* and president of his own organization, A. J. Wood & Company, national marketing research agency.

Here is the question and response from which the findings were taken:

From the public relations viewpoint, what are the three biggest problems you have today?

Problems	Percentage of Response*
Improvement of employee relations (Recruitment, training, and attitude)	60
Improvement of customer understanding of bank services and relation to the community	20
Government interference	4
Bank's services are for little people as well as big business	4
Competition of savings & loan associations	2
Other reasons	19
Don't know	6

*Adds to more than 100 percent because of multiple answers.

A further breakdown of the 60 percent employee-relations response reveals the following areas in which improvements should be made:

Recruitment of personnel, lack of skilled personnel, attracting higher type personnel and employee turnover	20%
Training employees, educating employees in proper customer relationships	28%
Employee attitudes, employee contact with customers	12%

Total employee relations problems 60%

* * *

Flexibility Required

THE 1952 report of the KANSAS BANKERS ASSOCIATION Bank Management Commission says:

"Flexibility in management policies is probably more important

right now than this report indicated it to be one year ago. Then, we were perhaps confronted more clearly by added inflation than by deflation. Today, the fulcrum has its razor-edge almost equidistant from the two. Vastly increased defense and other governmental expenditures may fall on another round of wage increases to edge us toward more inflation. Counterbalancing tendencies, such as reduced consumer spending and larger crops, could cause deflation to be predominant.

"Kansas bankers, as much as any-

one, certainly want no more inflation—so we should continue to abide by the principles of the Voluntary Credit Restraint Program and we should now become actually positive about stimulating the growth and numbers of savings accounts."

* * *

Auditors Convention

THE tentative program for the 28th annual convention of The National Association of Bank Auditors and Comptrollers in Milwaukee, Wisconsin, October 27-30, has been an-

nounced by S. E. Bennett, program committee chairman.

Plans for an accounting panel include the value of accruals as an aid to management and its advantages in computation of costs; general ledger accounting; payroll accounting—manual and mechanical; and accounting for securities and investments.

A half day on auditing will feature such subjects as: The value of self-audit questionnaires; basic internal controls; audit of savings accounts and the collection department; and a discussion of part-time auditor.

An entire afternoon will be devoted to personnel and to timely tax topics. A session on bank operations and bank costs will round out the three days of technical discussions.

* * *

Scott A. MacEachron

THE selection of Scott A. MacEachron, vice-president in charge of the Portland Branch, Federal Reserve Bank of San Francisco, to succeed the late Elwain H. Greenwood as executive secretary of the Oregon Bankers Association was announced in August BANKING.

Additional facts about Mr. MacEachron's background experience include: He started with the Federal Reserve at Seattle in 1920, and later became assistant cashier of the Spokane Branch. He has been with the Federal Reserve of San Francisco for 31 years, 26 of which were with the Portland Branch.

He reached retirement from the Federal Reserve on August 1.

(CONTINUED ON PAGE 158)

Mr. MacEachron



BANKING



CENTRAL NATIONAL BANK of CLEVELAND
Cleveland 1, Ohio

Our Foreign Department . . . at your Service

For your customers whose business requires the handling of drafts or collections relating to export-import transactions, why not let us act as "your Foreign Department"?

Central National Bank has direct correspondents in principal cities throughout the world, and has had wide experience in expediting the financing of foreign trade. Let our Foreign Department assist you in your operations for the benefit of your customers.



CENTRAL NATIONAL BANK

of Cleveland

CLEVELAND 1, OHIO

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Campaign Headquarters U.S.A.



The Family Vote will elect the Next President

*NOT THE FARM VOTE...
THE BIG-CITY VOTE...
THE LABOR VOTE...
OR ANY PARTY VOTE...*

Politicians talk a lot about this and that "bloc" of voters being decisive factors in this election. So do all the pollsters. You can't blame them for trying to dope it out that way in advance... but...

YOU know you're going to vote your own sweet way when you get behind that voting booth curtain—that where you live or work hasn't got a blankety-bloc thing to do with how you'll vote. You'll vote for what you believe to be in the best interests of your family—your kids—and your kids' kids.

So YOU know that this year—as always—it will be the FAMILY vote that really decides things. And families

are working as never before to make sure every American votes. Right now in millions of American families, everyone from Little Sis to Grandma is pitching in to remind every eligible American to register to make sure of the opportunity to vote. And then they'll tackle the job of getting out the vote of every member of America's 44,000,000 families. They're the biggest "bloc" in America—they ARE America!

If your family is already working at the job—congratulations! If you aren't, talk it over at supper tonight, and pitch in tomorrow.



The above is one of a series of ads available to banks and their customers for use in connection with the coming election—see also items on Pages 12 and 21.

BANKING NEWS

Dr. E. Sherman Adams, Banker and Educator, to Head New A.B.A. Department of Monetary Policy

BECAUSE of the growing part that the monetary policies of the government are having in the life of banks and the economy as a whole, the American Bankers Association will establish a Department of Monetary Policy to give direction to banking thought and action in this important area of finance. Announcement of the new program of the Association was made the end of August by Harold Stonier, executive manager of the A.B.A., who stated that the department will be headed up by Dr. E. Sherman Adams, assistant vice-chancellor of New York University, who will join the A.B.A. on January 1, 1953.

In announcing the plan, Dr. Stonier noted that "There was a time when monetary policy was expressed chiefly through controls exercised by the Federal Reserve System over the total quantity of bank credit. In recent years," he added, "great emphasis has been placed on other methods such as selective credit controls and the regulation of general credit in terms of the purposes for which it will be used and the effect thereof on general economic conditions.

"Debt management policies of the U. S. Treasury arising out of the huge public debt, combined with the Treasury's power to recommend the kinds and amounts of taxes to be raised by the Federal Government, also have an important effect on the money supply and the credit situation.

"The impact of these changes of recent years has made the policies of the Federal Reserve and the Treasury factors of great influence on the cost, availability, and volume of credit. As a result, these monetary policies have had far-reaching effects at times, not only upon commodity prices and the volume of production and employment, but also upon the operations of the banks themselves including their ability to attract and maintain the private capital that is essential to the chartered banking system.

"The setting in which monetary management operates has changed enormously in recent years. New problems have arisen which have led and probably will continue to lead to congressional studies of the subject from time to time.

Follows Long-Time Policy

"The establishment of a Department of Monetary Policy is in line with the practice of the Association at different times during its history, such as the period preceding enactment of the Federal Reserve Act, when a great deal of the thinking about a central banking system was generated by the Currency Commission of the A.B.A."

In concluding his announcement, Dr. Stonier made the point that the new department is not to be an investment department offering advice either to individuals or to banks on the subject of investments, but rather a department that will be of help to other sections of the Association and to its members and to those who represent it before Congress, in the development of information and opinion on monetary policy and its practical effects upon banking and upon economic conditions.

Dr. Adams is a native of Norwalk, Conn. He was graduated from Amherst College in 1931, where he was president of Phi Beta Kappa; editor of the student newspaper, *Amherst Student*; and a member of the senior honorary society "Scareb." He received the degree of Master of Business Administration from the Harvard Graduate School of Business Administration in 1933. He received his Ph.D. in Economics from New York University Graduate School of Business Administration in 1948. His doctoral thesis was written on "Current Problems of Monetary Management."

Dr. E. Sherman Adams



Dr. Adams has had many years of association with the banking business. During his college years, he spent his summers working in the South Norwalk (Conn.) Trust Company. Upon being graduated from the Harvard Business School, he joined The Hanover Bank in New York City where he served, except for the war years, until 1949. He was promoted to assistant secretary of The Hanover Bank in 1938. In 1940 he was assigned as assistant to the vice-president in charge of the bank's own investment portfolio. In 1946 he was given the title of assistant vice-president. During these years, he also carried out research projects for the Association of Reserve City Bankers and the National Bureau of Economic Research.

He is author of *Monetary Management—the Regulation of Credit* and many magazine articles.

Dr. Adams has been an instructor at New York Chapter of the American Institute of Banking and a lecturer at bankers' study conferences in Michigan, North Carolina, Vermont, and Virginia. For the past four years, he has been a lecturer on the faculty of the Pacific Coast Banking School at Seattle, Washington.

He joined New York University in 1949 and has served the University in various capacities. He is now assistant vice-chancellor and a lecturer on finance in the University's School of Commerce, Accounts, and Finance.

Dr. Adams is married, has three children, and lives in Norwalk.

Hartwell Davis, Personnel Authority, Named Ass't Secretary, American Institute of Banking

THE appointment of Hartwell Davis, personnel director of The Omaha National Bank, Omaha, Neb., as assistant secretary of the American Institute of Banking, educational section of the American Bankers Association, was announced recently by Harold Stonier, executive manager of the Association. Mr. Davis will assume his duties at national headquarters of the Institute in New York City on Sept. 2.

The choice of Mr. Davis as assistant to Secretary Robert C. Rutherford rounds out the permanent, professional staff of the national organization. The new assistant secretary has been employed since 1947 at The Omaha National Bank, first as personnel technician and later as personnel director. His responsibilities have included interviewing, select-

ing, and training of personnel and personnel research problems concerned with the bank staff of 300 people.

He has also been active in Omaha Chapter of the Institute, serving as its president in 1950-1951.

His civic interests have included posts as president of the Personnel Association of Omaha, a director of the Omaha Junior Chamber of Commerce, a member of the Society of Associated Industrial Editors, and a director of the Omaha Guidance Council. He has been a member of the Mayor's Committee on the Employment of the Physically Handicapped.

After his graduation from Webster Groves, Missouri, High School, Mr. Davis attended Massachusetts Institute of Technology and later Grinnell College at Grinnell, Iowa, where he received a Bachelor of Arts Degree in February 1947. His college work was interrupted by military service from February 1943 to October 1945. He served nine months overseas on Corsica and in France as first pilot of a medium bomber, completing 41 missions. At the time of his release from active duty, he was a first lieutenant and later was promoted to captain in the active reserve program. In 1951, he was reassigned to inactive status.

Mr. Davis is married and has three sons and one daughter.

Fully Deferred Posting, Bookkeeping Guide, Will Be Sent to Banks Early in September

Fully Deferred Posting is the title of a 20-page study on means of effecting worthwhile economies and operating conveniences in bank commercial bookkeeping departments now being published by the Bank Management Commission of the American Bankers Association. One copy of this publication (BMP 128) will be sent to each member bank early in September.

In a foreword to the study, James H. Kennedy, chairman of the Commission and vice-president and cashier, Philadelphia National Bank, tells of the need of this operating manual.

"The tremendous increase in check activity," he said, "during the last several years has thrust a number of problems on the bookkeeping departments of banks. Operating efficiency has suffered as an ever-expanding volume has been accompanied by high personnel turnover, equipment shortages, and inadequate quarters. Steadily rising costs have only served to aggravate the difficulties.

"Operating efficiency is always important, but today its value cannot be overemphasized. Bankers must continuously be on the alert for better methods and procedures."

Material included in *Fully Deferred Posting* falls into these main subdivisions: "Fully Deferred Posting Explained"; "Payment Final on Over-the-Counter Transactions"; "Banks Should Review Collection Agreements"; "Prerequisites for Adoption of Fully Deferred Posting"; "Procedure on Day of Converting"; "Entire Day's Work Completed in One Run"; "Handling Return Items" (Plans 1, 2, and 3); "Advantages of Fully Deferred Posting"; "Disadvantages of Fully Deferred Posting"; and "Conclusion."

The study is illustrated with forms recommended for adaptation.

A.I.B. Short Course Texts—Proof and Transit; The Bank Bookkeeper—Are Ready for Fall Use

THE American Institute of Banking will expand its recently developed short course program for new bank employees this fall with the publication of two new books to be used in introducing new employees to their bank jobs through individual reading or group study. The books are *Proof and Transit* and *The Bank Bookkeeper*. They will be ready for use in September.

The new books are an extension of the short course idea



Hartwell Davis

introduced last year with the publication of *You and Banking*, a volume intended to help new bank people understand the banking business in general.

The short course program is based on the belief that every bank employee can benefit from a better understanding of his job and his bank whether or not he plans to make a career in banking. The regular formal A.I.B. curriculum leading to Standard and Graduate Certificates is planned particularly for the career banker and takes several years to complete. Therefore, the Institute recognized that it was not adaptable to training those who do not plan to make a career in banking.

The adoption of the program was the result of two years of study in which the A.I.B. sought to find out how it could best help banks with one of their major problems—employee turnover.

The handling of these courses is a considerable departure from the system used for regular Institute studies. The textbooks can be purchased directly by banks as well as by Institute chapters and study groups. They can be used simply as reading material for new employees or as the foundation of short course classes which the A.I.B. will conduct in its chapters and study groups or, if preferred, in any individual bank.

Proof and Transit covers in detail the operations involved in the proof of customers' deposits and in the sorting and listing of checks for presentation to the many banks on which they are drawn.

The Bank Bookkeeper comprehensively covers bank services with emphasis on commercial banking and checking account and defines in nontechnical language the instruments and terms with which the bookkeeper should be familiar.

Briefly . . .

The *School Saver's* autumn addition, cooperatively produced by the A.B.A.'s Committee on School Savings Banking and the Association's Advertising Department, is nearing completion. The *Saver* is published three times a year and is designed for distribution by banks with school savings banking programs to young depositors and their teachers and parents.

During the 1951-1952 school term, the *School Saver* showed an increase of 60 percent both in the number of banks sponsoring the publication and the total number of copies distributed. A new high mark was set with 165 banks distributing more than 800,000 copies. The A.B.A. has set a goal for 1952-1953 of 200 banks with a circulation of 1,000,000 copies.

Five direct mail folders were sent to member banks late last month for quantity ordering with individual bank signature imprints by banks wishing to make use of the services of the Advertising Department of the American Bankers Association.

These folders include (1) a Christmas folder entitled "Join Our Christmas Club Now"; (2) a home repair folder, "Neglect Costs Far More Than a Bank Loan"; (3) a safe deposit folder, "Why Not Keep All Your Valuables in a Safe Deposit Box?"; (4) an auto financing folder, "You Get These Three Advantages in a Bank Auto Loan"; and a savings folder, "Savings is Simply Postponed Spending."

Two sets—of four ads each—of Christmas Club newspaper advertisements have also been released by the Advertising Department.

Six banks in as many states joined the American Bankers Association during July as follows:

ARIZONA: First National Bank of Arizona, Six Points Branch, Phoenix*.

ARKANSAS: Trumann National Bank, Trumann*.

FLORIDA: Gulf State Bank, New Port Richey*.

IDAHO: First Security Bank of Idaho, N. A., Kamiah Branch.

KANSAS: First State Bank, Tonganoxie.

NEW JERSEY: First National Bank of South River, Spotswood Branch.

* Newly organized.

Program for Spokane Public Relations Workshop, Oct. 13-14, is Announced by Mack

THE program for the Public Relations Workshop in Spokane, Wash., on Oct. 13 and 14 for state association officers in Washington, Oregon, Idaho, Montana, and Wyoming has been announced by John B. Mack, Jr., deputy manager of the American Bankers Association and director of the Association's Public Relations Council. The Workshop will be held at the Hotel Ridpath.

The program follows:

First Session—Monday, Oct. 13, 9:30 A. M.

"The State Association Job"—a panel discussion of state public relations. *Moderator, William T. Wilson, A.B.A.*

deputy manager and secretary, State Association Section. *Panel members:* Arthur L. Ganson, executive secretary, Washington Bankers Association; Scott A. MacEachron, executive secretary, Oregon Bankers Association; S. Walter Guthrie, secretary, Idaho Bankers Association; Robert C. Wallace, secretary-treasurer, Montana Bankers Association; and J. G. Murphy, secretary-treasurer, Wyoming Bankers Association.

"The Colorado Program"—James C. Scarboro, secretary-treasurer, Colorado Bankers Association.

12:15 P. M. Luncheon

Speaker to be announced.

Second Session—2 P. M.

"Working with the Schools—Educator's Viewpoint"—John A. Shaw, Superintendent of Spokane Public Schools, Spokane, Wash.

"Organized Banking's School Program"—Mr. Mack.

"The Kansas School Program"—Carl A. Bowman, secretary, Kansas Bankers Association.

Open discussion—questions and answers.

5 P. M. Social Hour

Spokane Clearing House Association hosts.

Third Session—Tuesday, Oct. 14, 9:30 A. M.

Public relations experts will make brief presentations on topics yet to be selected. Each presentation will be followed by open discussion periods.

12:15 P. M.—Luncheon

Speaker to be announced.

Fourth Session—2 P. M.

Open discussion session which will be under direction of the chairman of the Public Relations Council.

This entire period will be devoted to general discussion, during which any delegate may bring up any question he wishes for consideration.

Adjournment 4 P. M.

CALENDAR

American Bankers Association

Sept. 28-Oct. 1	78th Annual Convention, Atlantic City, New Jersey
Oct. 13-14	Public Relations Workshop, Ridpath Hotel, Spokane, Washington
Nov. 10-11	Regional Savings and Mortgage Conference, Hotel Nicollet, Minneapolis
Nov. 13-14	Mid-Continent Trust Conference, Adolphus Hotel, Dallas, Texas

State Associations

Sept. 7-11	Tennessee Bankers Conference, University of Tennessee, Knoxville
Sept. 11-14	Mass. Savings, Mt. Washington Hotel, Bretton Woods, N. H.
Sept. 21-24	Maine Savings, Wentworth-by-the-Sea, Portsmouth, N. H.
Oct. 14-15	Connecticut Savings, Mountain View House, Whitefield, N. H.
Oct. 17-18	New Hampshire Savings, Fall Meeting, Mountain View House, Whitefield
Oct. 19-21	Kentucky, Brown Hotel, Louisville
Oct. 19-22	Iowa, Fort Des Moines Hotel, Des Moines
Nov. 5-7	New York Savings, Greenbrier and Cottages, White Sulphur Springs, W. Va.
Nov. 10-11	Nebraska, Lincoln
Nov. 20-22	Arizona, Arizona Biltmore, Phoenix

Other Organizations

Sept. 21-24	Robert Morris Associates, Fall Conference, Hotel Nicollet, Minneapolis
Sept. 24-26	National Association of Supervisors of State Banks, Lord Baltimore Hotel, Baltimore, Maryland
Sept. 25-27	New York State Safe Deposit Association, Annual Convention, Hotel Claridge, Atlantic City
Sept. 25-28	Association of Bank Women, Annual Convention, Hotel Dennis, Atlantic City, New Jersey
Sept. 29-Oct. 2	Mortgage Bankers Association of America, Annual Convention, Conrad Hilton Hotel, Chicago
Oct. 5-8	Controllers Institute, Annual Meeting, Sheraton-Cadillac Hotel, Detroit
Oct. 19-22	Consumer Bankers Association, Annual Meeting, The Greenbrier, White Sulphur Springs, West Virginia
Oct. 20-23	Financial Public Relations Association, Annual Convention, Hotel del Coronado, Coronado, California
Oct. 27-30	National Association of Bank Auditors and Comptrollers, Annual Convention, Hotel Schroeder, Milwaukee

News for Instalment Credit Men

Items and Comment from Our Instalment Credit Commission and Other Sources

Directory in New Edition

THE Instalment Credit Commission of the American Bankers Association has published a new *Instalment Lending Directory* which gives information on over 7,200 banks making instalment loans and supersedes a similar book published four years ago.

The directory lists the names of banks throughout the country which are actively engaged in instalment lending, along with the types of credit service each bank offers. In addition, it is intended for use by the banks cooperating in the nationwide reciprocal collection program which the banking system has used since 1946. Thus banks aid one another in collecting on "skip" and delinquent accounts.

The directory lists, by state and city, banks actively engaged in instalment lending. Then, for each bank it gives the name of the individual in charge of instalment credit, the various types of instalment loans made by the bank, and the collection facilities available under the reciprocal collection program.

A numerical key system is used to indicate collection facilities. At present over 4,900 banks are cooperating voluntarily in the reciprocal collection program. Through the directory, a bank can get detailed information on the collection facilities of a cooperating bank in another city to which a "skip" or delinquent borrower may have gone, and can enlist the help of the out-of-town bank.

An introduction to the directory states: "In an endeavor to make this nationwide reciprocal collection program more effective, your Commission has attempted to limit participation in this program to the banks that have indicated their willingness and ability to render an efficient collection service on instalment accounts. While it is not possible for each of the banks listed to offer the same complete type of collection service, we believe the participating banks will generally give as careful attention to foreign (out-of-state) accounts as they give to their own delinquent accounts. As a matter of fact, we are informed that such items receive special attention by most banks, and this has contributed greatly to the success of the program."

The directory is available to A.B.A. member banks; and, through them, to interested manufacturers and individuals.

Basis for Comparison

THE Instalment Credit Commission of the American Bankers Association has conducted a survey through 100 commercial banks outstanding in the instalment lending field. These are the composite results:

- (1) *Percentage of the individual classification of loan to total instalment loans outstanding as of March 31, 1952:*

Class of Loans	No.	Amount
Personal Loans	21.15	16.50
FHA Title 1	22.48	20.10
Own Modernization Plan	4.05	4.55
Automobile—Direct	13.68	23.16
Automobile—Indirect	15.00	22.47
Appliances	23.64	13.22
	100.00	100.00

- (2) Number of instalment loans delinquent 30 days or more expressed in *percentage* to total number of loans as of April 30, 1952 1.58%
- (3) Percentage of gross instalment credit income to outstandings as of December 31, 1951 9.47%
- (4) Percentage of total instalment credit expenses to outstandings as of December 31, 1951 3.75%
- (5) Percentage of net income to outstandings. (3 minus 4) 5.72%
- (6) Gross income from instalment credit in 1951 provided what percentage of total gross income from all loans. (Do not include investments.) 31.02%
- (7) Percentage of net instalment credit income to gross instalment credit income 60.38%
- (8) Percentage of total instalment credit expense to gross instalment credit income. (Total 7 and 8 equal 100 percent) 39.62%
- (9) Number of loans outstanding per employee... 560
- (10) Number of accounts per collection department employee 2,949

Mrs. Bernice C. Rodriguez expresses surprise as Edwin J. Tietz, vice-president, celebrates the 35th anniversary of the personal credit department of Chicago National Bank by tearing up the contract for a \$350 loan



First borrower as the new consumer credit department of the First National Bank of Chicago opened on July 28 was James H. McDonnell, right, who used the proceeds of the loan for the purchase of a gas burner



"Equity Plan" Reports

APPROXIMATELY 2,700 banks and their branches are now financing Westinghouse Electric Corporation's appliance and television dealers under the company's Equity Plan, C. F. Gilbert, manager of the retail finance division, reported to some 40 banker-guests meeting recently at the Electric Appliance Division in Mansfield, Ohio.

The meeting was held to discuss dealer inventory and retail financing problems and to report progress of the Westinghouse Equity Plan, which is the company's arrangements for its dealers' financing through the nation's local banks.

Mr. Gilbert reported that 48 percent of the 5,583 banks listed as active in appliance financing were already serving

as sources of credit accommodation to Westinghouse dealers. He added that these banks were using the plan within the first three years of the five-year dealer financing program announced by Westinghouse in 1949.

In 1949, 73 percent of the dealers were inadequately floor planned. In 1952, only 8 percent of these dealers were not receiving adequate floor plan accommodation through the banks. In 1949, 38 percent of Westinghouse dealers' retail transactions were not adequately financed. In May 1952, only 5 percent were unable to get accommodation through the local banks.

Mr. Gilbert said that an additional 2,600 banks were making inventory loans and carrying retail paper for Westinghouse dealers under terms comparable to Equity Plan arrangements, insofar as the local dealer and bank were concerned.

News for Mortgage Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

Public Housing for Aged

A NEW field of public housing is in the planning stages; i. e., housing for the aged who need homes but are unable to provide them for themselves because of age and insufficient income. This is something on which bankers might well keep their fingers crossed until the purpose and meaning unfolds more clearly.

An exploratory conference was held in Ann Arbor, Michigan, on July 24-26, co-sponsored by the Housing and Home Financing Agency and the University of Michigan. This meeting dealt with the question of the nature and extent of the problem, together with those of planning and design, construction and management, and financing. The program was prepared by Dr. Wilma Donahue and presented the foremost authorities in the country on the subject. William C. Loring, Jr., executive director of the Housing Association of Metropolitan Boston, was among the speakers.

C. C. Klein, a CIO representative, spoke on "Public Sources of Capital." He is reported as opposing the use of union funds for housing for the aged, because the union does not care to subsidize a few of its own members, but would rather have public housing do the job.

The American Bankers Association and the National Association of Home Builders were among those invited to participate in the conference. Joel K. Riley, vice-president of The Manufacturers National Bank of Detroit, was the A.B.A.'s representative to observe as much as he could about this trend in the public housing field. The NAHB representatives took an active part in the discussions, holding that public housing is not the answer to this problem. The papers presented will be published.

This is a movement that may have far-reaching implications and will bear watching on the part of taxpayers.

Credit Control Relaxation

UNDER the terms of an announcement made by the Board of Governors of the Federal Reserve System and the Housing and Home Finance Agency, relaxation of credit controls on housing may be possible as early as October 1, 1952.

Under the amendments to the Defense Production Act, if housing starts for any consecutive three-month period fall below an annual rate of 1,200,000 units, residential credit controls shall be relaxed so as not to require a downpayment of more than 5 percent of the transaction price. The amendments further provide that such relaxation shall begin not later than one month after the expiration of the consecutive three-month period during which housing starts were at the annual rate of less than 1,200,000.

The number of housing starts will be estimated for purposes of possible credit relaxation beginning with the month of June 1952. They will be based upon estimates as supplied

by the Department of Labor's Bureau of Labor Statistics.

If housing starts are found to exceed the annual rate of 1,200,000 units during a consecutive three-month period, housing credit controls may be reinstated.

Reactivation of Fanny May

IN the provisions of the Housing Act of 1952, the purchasing authority of the Federal National Mortgage Association was increased by \$900,000,000. Announcement has been made that purchases will start at once of FHA and VA mortgages on defense, military, and disaster housing.

There are several important changes from the former procedure under which Fanny May operated:

(1) The two months' waiting period before selling mortgages to FNMA has been waived.

(2) Mortgage lenders will no longer be restricted to offerings of only 50 percent of loans available for purchase.

(3) For obtaining advance commitments, the seller must have secured an FHA insurance commitment or a VA certificate of reasonable value.

A.B.A.'ers Speak at Seminar

ON the faculty of the Mortgage Bankers Association of America's Western Mortgage Banking Seminar at Stanford University last month were three members of the A.B.A.'s Real Estate Mortgages Committee. These included:

William A. Marcus, senior vice-president, American Trust Co., San Francisco, and past president of the A.B.A.'s Savings and Mortgage Division, whose subject was "Twenty Years of Mortgage Lending." Joseph R. Jones, vice-president, Security-First National Bank of Los Angeles, spoke on "Analysis of the Loan Application." V. R. Steffensen, senior vice-president, First Security Bank of Utah, Salt Lake City, discussed "Construction Loans."

New Housing Starts

ADDED interest in the rate of new housing starts has resulted from the passage of the Defense Production Act, which ties new home construction to possible relaxation of mortgage credit controls.

	1952	1951
January	68,000	85,900
February	77,000	80,600
March	103,900	93,800
April	106,200	96,200
May	107,000	101,000
June	106,000	132,500
July	104,000	90,500

Chamber Flood Data Source

BANKS holding mortgages in flood areas may do well to consult their local chambers of commerce as reliable sources of information on lands subject to periodic floods, warns the First National Bank and Trust Co., of Paterson and Clifton, New Jersey.

The Greater Paterson Chamber of Commerce brought to the attention of local banking institutions, most of which have extensive mortgage holdings in districts flooded from time to time, its statistical and map information facilities available to mortgagors for checking the flood potential of lands about to be covered by mortgages. First National was one of the first banks to make use of the chamber's offer.

The chamber indicates that, in view of the mounting total of flood damage, court actions on the part of groups of citizens in flood areas may necessitate proof on the part of mortgagees and other mortgage and sale participants in the future, that they have used all possible sources to secure information as to the nature of the land involved before granting mortgages.

"While we ourselves take every reasonable step to insure the well-being of mortgage holdings located in districts subject to flood," said First National's Board Chairman F. Raymond Peterson, "the contribution of the Greater Paterson Chamber of Commerce will be of value to us in simplifying our investigative work, safeguarding our investments, and assuring protection and peace of mind to our mortgagors."

Regulation X Registrants

ALL institutional mortgage credit lenders were required to register with the Federal Reserve banks when Regulation X—controlling real estate credit—was instituted by the Board of Governors of the Federal Reserve System.

By the end of May 1952, some 50,000 individuals, firms, and financial institutions had filed registration statements.

The Reserve Board has made an analysis of the types of mortgage lenders and the character of mortgage business represented by these registration statements. Of particular interest is a break-down of the different types of real estate loans held in mortgage portfolios:

Institutional Holdings of Residential Mortgage Loans

	Number of Registrants Holding Loans	Amount of Loans Held (Millions)	All Residential Holdings by Type of Mortgage			
			FHA	VA	Conventional	Residential
Commercial Banks.....	10,799	\$13,240	21%	18%	43%	82%
Mutual Savings Banks...	525	9,100	24	17	45	86
Savings and Loan Ass'ns.	4,962	13,609	6	21	71	98
Insurance Companies...	602	17,308	28	15	27	70
Mtge. Companies, Mtge. Brokers, or Real Estate Brokers.....	5,583	\$66	25	24	40	89

News for Trust Men

Items and Comment from Our Trust Division and Other Sources

What Percentage of Equities?

THE 26th Western Regional Trust Conference of the American Bankers Association was in session at the Olympia Hotel in Seattle, Washington, as **BANKING** went to press.

Among the speakers was Joseph W. White, president of the A.B.A.'s Trust Division and vice-president of the Mercantile Trust Co., St. Louis. Mr. White addressed the first conference session on the general subject of "Investment Problems Trustees Must Meet in the Light of Existing Conditions."

He pointed out that trust account after trust account started out a few years back with about 30 percent of their investments in equities; whereas, because of inflation and its effects, trust officers have seen their common stock percentage jump to from 60 percent to 80 percent of the account. In answering his own question: "What shall we do?" Mr. White said, in part:

"Trustees in retaining common stocks take into consideration that this country has not reached its maximum expansion and that, consequently, strong companies are bound to grow with the growth of the country; that while we will probably have, as we have had in the past, changing cycles—good periods and bad—soundly managed companies will meet the problems of each period and go forward with the progress of the country. Surely, this sort of reasoning seems sound—a prudent course for a trustee to follow.

"... I would not hesitate to retain common stocks of well managed, financially sound companies up to 50 percent to 60 percent of an account at market value, with the balance in bonds, high grade preferred stocks, and mortgages.

"There is nothing sacred about the percentages of 50 percent to 60 percent. Some may think that a little too high and prefer to carry from 30 percent to 40 percent in common stocks. The proportion to be placed in equities must be decided by the trustee in each trust, after taking into consideration many factors; for example: the amount in stocks at the creation of the trust, the wishes of the grantor or testator, the nature of the securities originally deposited,

*
Estate Planner Conklin is shown in his combination den and office in his home in Cincinnati
*



the needs of the beneficiary, the amount of other income available to the beneficiary, the terms of the trust instrument, the relationship of the beneficiary to the trustor, the age of the beneficiary, the remaindermen and their relationship to the trustor."

Further coverage of the Western Regional Trust Conference will be carried in October **BANKING**.

Champion's Employee Estate Planning

MAYNARD D. CONKLIN, formerly trust officer in charge of estate planning at The Fifth-Third Union Trust Company, Cincinnati, now has the title of tax consultant with The Champion Paper & Fibre Company, Hamilton, Ohio.

Mr. Conklin heads Champion's employee estate planning advisory service, which was established early in 1949. This service extends to wage earners in all divisions and is said to be the first ever to be adopted by an industrial organization for the benefit of its workers.

He advises on life insurance, how much and what kind workers should own, and how it should be payable in the

event of death. He also gives advice on wills, income, and death taxes. In general, he helps plan estates, both to provide the greatest possible amount of protection for workers' dependents in the event of death, and to supplement their company retirement income and Social Security benefits.

This service is entirely confidential, as files are carried as case numbers and no names are mentioned in any written recommendations.

"As to how the Champion employees react to this service," Mr. Conklin said in a letter to BANKING, "I can say without hesitancy they react very, very favorably and are very enthusiastic about the service we are rendering. The reaction is almost unanimous, 'what does this cost? We can't believe the company is doing all of this for us without cost to us.'"

Aside from his trust work with the Fifth-Third, Mr. Conklin's experience includes farming; newspaper work; tax auditing with the Income Tax Division of the U. S. Bureau of Internal Revenue, Cincinnati; and insurance with the Cincinnati agency of The Mutual Life Insurance Company of New York.

Irving's Trust Promotion Booklet

"PULLING AS ONE: The Executor-Trustee Team" is the theme of a four-page illustrated folder entitled *How to do more for Your Family* published by the Irving Trust Company of New York City and distributed to its customers and trust prospects.

In the textual presentation, the bank tells the story of the function of executor and trustee and how their duties dovetail. It is written in direct, conversational style.

Just ahead of a concluding paragraph (boxed with colored rule) selling the bank's trust department appears a summation of points covered in the folder.

Mid-Continent Committees

GEORGE W. BRIGGS, vice-president and senior trust officer of the First National Bank of Dallas, Texas, has been named chairman of the General Arrangements Committee for the 21st Mid-Continent Trust Conference of the A.B.A. Trust Division, to be held in the Adolphus Hotel, Dallas, on November 13 and 14. His appointment was announced by Joseph W. White, Division president and vice-president of the Mercantile Trust Company of St. Louis, when announcing the personnel of other Conference committees.

Serving with Mr. Briggs on the General Committee are:

S. A. Chapman, vice-president and trust officer, National Bank of Commerce, San Antonio; Ersell C. Duke, member of trust section administrative committee, Texas Bankers Association; trust officer, The American National Bank, Austin; E. A. Flowers, vice-president and trust officer, First National Bank, Waco; Charles W. Hamilton, member of Executive Committee, Trust Division, A.B.A.; vice-president and trust officer, National Bank of Commerce of Houston, Houston; W. P. Metcalfe, vice-president and trust officer, Texas Bank & Trust Co., Dallas; J. E. Meyers, vice-president and trust officer, United States National Bank, Galveston; Thomas J. Moroney, vice-president and trust officer, Republic National Bank of Dallas; Charles E. Sample, member of trust section administrative committee, TBA; vice-president and trust officer, Mercantile National Bank at Dallas; Ralph E. Scott, trust officer, Dallas National Bank; Walter W. Scott, chairman of trust section, TBA; and vice-president and trust officer, The State National Bank of El Paso; and Floyd O. Shelton, vice-president and trust officer, The Fort Worth National Bank.

The advisory committee for the Conference (all Dallasans) is:

J. B. Adoue, Jr., president, National Bank of Commerce; Milton F. Brown, president, Mercantile National Bank; Fred F. Florence, president, Republic National Bank; P. B. (Jack) Garrett, president, Texas Bank & Trust Co.; R. R. Gilbert, president, Federal Reserve Bank; J. C. Tenison, president, Dallas National Bank; Ben H. Wooten, president, First National Bank.

Other committee chairmen (all Dallasans) are:



At opening of the Trust Development School of the trust division of Illinois Bankers Association, held on downtown campus of Northwestern University, August 11-29. Students listen to John L. Chapman, vice-president, City National Bank & Trust Co., Chicago. Also at speakers' table, and also not shown, Harold Clark, Chicago attorney, director of school; W. O. Heath, vice-president, Harris Trust & Savings Bank, Chicago, who is chairman, IBA's school committee; H. J. Johnson, vice-president, American National Bank & Trust Co., Chicago, vice-chairman, school committee.

Program, Mr. Moroney; Publicity, Ralph E. Scott; Finance, R. J. MacBean, vice-president and trust officer, Republic National Bank; Hotel, Mr. Sample; Registration, Mr. Metcalfe; Entertainment, W. F. Worthington, vice-president and trust officer, First National Bank; and Ladies, Mrs. W. F. Worthington.

Employee Pension Plans Upheld

"IT is estimated," said Henry C. Alexander, president of J. P. Morgan & Co., Inc., "that at present there are some 15,000 pension plans in operation, that perhaps as many as one-fourth of the industrial working force of the nation are the beneficiaries of such plans, and that annual contributions to such plans are currently in excess of \$2,000,000,000. There is no indication of a leveling off of this growing trend."

Speaking before the New York State Bankers Association's annual convention, Mr. Alexander said he was not much concerned about the implication toward collectivism arising from voluntary trusted funds for pensions, health insurance, and similar security groupings. "... in our system of capitalism," he said, "we have long had groupings and collective action in many forms. The corporation itself represents the pooling of individual capital."

Mr. Alexander stated what he considers the real problem to be, as follows:

"How can we afford the overwhelming majority of decent, thrifty citizens as good a standard of living and as much protection against misfortune as our resources permit, without at the same time doing so at the cost of setting up a so-called welfare state, or of encouraging the built-in inflationary bias that characterizes our age, or of creating a too-rigid cost structure, or of transforming our still dynamic, flexible economy into one of static maturity, or of destroying that mobility of labor that enables us to meet such changes as may be required by new inventions and processes of manufacture. The last thing we ought to want is that share-the-work illusion so prevalent in some European countries.

"Our best chance of answering the problem and of averting these deplorable consequences, or at least minimizing them, lies in our tradition of private rather than Government initiative. That is why, in its growing tendency to create trust funds for employee protection, American business concerns of various kinds are acting not only in their own enlightened self-interest but in the interest of the economic system of which we are all but parts."

Nadler on Pensions

EXPANSION of pensions and social security in the United States will have far-reaching economic, financial, and social consequences, Dr. Marcus Nadler, economic consultant to the Hanover Bank of New York, said recently.

Dr. Nadler's remarks included these conclusions:

"The long-range effects of pensions will depend to a very large extent on the measures taken in the immediate future to prepare individuals for retirement and on their economic education.

"Private pension funds, largely invested in bonds, are bound to play an increasingly important role in the capital market and will influence the trend of long-term interest rates.

"The fact that the old age trust fund is on a pay-as-you-go basis will raise some serious problems once social security expenditures exceed revenues.

"It could lead either to very high social security taxes or to the shifting of the burden on the general taxpayer, or to large Federal deficits. So long as the Treasury operates at a deficit, the excess of social security revenues over expenditures is used by the Treasury as ordinary revenue."

"Life Insurance Fact Book" Available

THE 1952 edition of the *Life Insurance Fact Book*, published by the Institute of Life Insurance, New York City,* is now available.

At least half of the data is presented in charts, graphs, and tables. The book is intended as a guide to those who wish to have readily available life insurance statistics.

* 488 Madison Avenue.

An item for trust men pertaining to corporate share ownership appears on page 86.

News for Savings Bankers

Items and Comment from Our Savings and Mortgage Division and Other Sources

Savings and Mortgage Conference in Minneapolis Nov. 10-11

A REGIONAL Savings and Mortgage Conference will be held at the Nicollet Hotel in Minneapolis, Minnesota, on November 10 and 11, under the auspices of the Savings and Mortgage Division of the American Bankers Association. This announcement was made by F. A. Amundson, vice-president of the Midway National Bank, St. Paul, general chairman of the Conference Committee.

Up-to-the-minute information on mortgage lending and savings banking will be emphasized in the two-day program, which was incomplete at press time. Both policy matters and operational procedures will be dealt with by the speakers.

A popular feature of the program will be a "Mortgage Committee in Action," which will examine and pass upon hypothetical loan applications. Before taking final votes on these credit requests, the audience will be invited to join in the discussion and express opinions on the merits of the applications.

Executive and operating officers of banks located in Minnesota, Wisconsin, Iowa, North Dakota, and South Dakota will be invited to attend the Conference and to join in the discussions.

Besides Mr. Amundson, members of the Conference Committee are: John DeLaitre, vice-president, Farmers & Mechanics Savings Bank, Minneapolis, who will act as registrar; Robert W. Turner, president, City National Bank, Council Bluffs, Iowa; Guy S. Bacon, president, Empire State Bank, Cottonwood, Minnesota; A. R. Weinhandl, president, First National Bank, Minot, North Dakota; William Duffy, president, Union Savings Bank, Sioux Falls, South Dakota; and Arthur J. Quinn, president, Northwestern State Bank, Cumberland and of Bank of Turtle Lake, Barron County, Wisconsin.

Series E and H Bonds

SALES during June and July of Series E bonds and their new twin-sister current income bond for individuals, Series H, totaled \$609,000,000, as against \$502,000,000 in E bonds in the corresponding two months of 1951, the U. S. Savings Bonds Division reports. This is a gain of 21 percent. The new H bond was first offered on June 1.

According to Merrill L. Predmore, acting national direc-

tor of the Bond Division, the Series H bond is the Treasury's answer to the many requests made over the past decade for a current income security with an investment yield equaling that of the E bond and with the complete safety of principal and the guaranteed cash values afforded by U. S. Savings Bonds.

More than \$50,000,000 in H bonds were sold as a result of newspaper stories, radio announcements, and recommendations by bankers before any promotional material, such as leaflets and posters, reached the public. On July 31, the cash value of outstanding Series E and H bonds combined was \$34,950,000,000.

Savings Banking in Norway

IT is some times helpful to compare our own methods with those of our friends across the sea. An outline of the organization and operations of the Oslo (Norway) Savings Bank (Oslo Sparebank) sent to BANKING by one of our subscribers—Thorbjorn Smedsrud of the Sparebank's staff—includes these facts:

"The bank has no stockholders. The 40 trustees are elected for a period among and by the depositors having more than kr. 2,000. on account during the last six months before election day. . . .

"The net earnings of the bank [after taxes and operating expenses] is granted in part to various institutions of Oslo, such as the National Theatre, the University, the National Gallery of Paintings, schools, churches, hospitals, homes for children, and old persons, etc. These donations are according to the statutes. . . .

"The bank has about 350 employees. The salaries are fine and pensions as well as insurance against hospital-medical, nurses, and surgical expenses are all free. The bank pays. All employees receive three weeks' summer vacation and three days' winter vacation with pay. . . ."

New York Banks' Mutual Fund

STOCK investment authority, legalized for savings banks a few months ago by the New York State Legislature, has been vested in the Institutional Investors Mutual Fund, Inc., by The Savings Banks Association of the State of New York.

This Mutual Fund is incorporated under the Stock Corporation Law of New York; is the open-end management type; and is owned exclusively by New York savings banks.

Shares will be issued for purchase by the banks and will be subject to the Securities & Exchange Commission regulations, while investment in the shares is subject to Banking Board regulations.

Investments are restricted to securities in which savings banks may invest individually. The amount of stock held in any one corporation may not exceed 5 percent of its outstanding shares.

The company will be tax-exempt as to distributed income, if such distributions amount to at least 90 percent of income.

A board of directors, composed of 15 top-ranking savings bank executives, has been named to guide the destinies of the new fund until the first meeting of stockholders in January 1953.

The SBASNY reports a near-record gain in savings deposits in New York State for the first six months of 1952. Deposits of \$503,370,000 in 123,800 accounts were announced, compared with the first half of 1945 deposit peak of \$595,049,597.

Money Management Booklet

INTEREST continues high in the use of the Savings and Mortgage Division's *Personal Money Management* booklet. This booklet was published after an intensive study of family and personal needs and is presented in a way which helps families get the most in life from funds.

Banks use the booklet extensively for distribution to children in high school, for general promotion, and to help customers with budgetary problems.

School Savings Banking Survey

A CONCISE questionnaire was sent on August 12 to banks known and believed to be operating school savings banking programs by Ralph W. Matteson, chairman of the School Savings Banking Committee of the A.B.A.'s Savings and Mortgage Division. This survey is made annually by the Division to bring up-to-date its statistics on the number of banks offering this service, the number of pupils served, total deposits, etc.

A marked increase in bank interest in thrift education has been evident for several years. The 1951 reported balance in school savings accounts was \$80,000,000; double that of 1947.

The division would appreciate notice from banks that operate school savings banking programs, but which did not receive the above mentioned questionnaire. These banks will be added to the Division's list to receive information released periodically on the subject.

Some questions and answers on the advisability of operating a savings department by a commercial bank may be found on page 112.

Facts and Figures on Corporate Share Ownership

THE entire July issue of the *Journal of The Union & New Haven* (Conn.) Trust Company is devoted to an analysis of the recently published study of "Share Ownership in the United States" as it applies to the investment pattern of the bank's trust investments. The study was made by Brookings Institution for the New York Stock Exchange.

Under the heading, "More Stocks in Trust?" the *Journal* comments:

Reasons for Interest

Here at the Trust Company the Brookings survey is interesting for a number of reasons. It is no secret that Connecticut is and long has been a decidedly stock-conscious state. Invested funds come in to us more often than not containing a substantial proportion of common and preferred stocks. Last year's annual report of the State Banking Department, with combined figures for all trust department accounts in state banks and trust companies—trusts, estates, agencies, custodianships, etc.—showed stocks far in the lead with more than 56 percent, bonds second with 31 percent, and such items as real estate, mortgages, cash in savings departments and uninvested cash all under 4 percent each.

Today it seems possible that this preference for stocks will increase. For one thing, people hear it said that "common stocks are a hedge against inflation." Again, "merchandising" of stocks is definitely the order of the day on the part of the investment banking industry; there is a great demand for capital. For these and other reasons, therefore, the administrative burdens of trustees are likely to increase both in volume and complexity as investment portfolios representing the fruits of acquisition through stock holdings become trust funds to be conserved.

SOME of the interesting facts and figures gleaned from the Brookings study by Union & New Haven Trust include:

About 6,500,000 persons, or one adult in every 16, representing 4,750,000 families, or about one in 10, own directly 5-billion shares of stock in 13,650 issues of common stock, and 3,005 issues of preferred classified as "publicly-

held" and traded on organized exchanges or "over-the-counter." All exclusive of more than 3,000,000 owners of stock in private companies.

Principal reasons, probably not mutually exclusive, given for buying stocks: For profit, 28 percent; for income, 22 percent; recommendation of broker, banker, attorney or other adviser, 10 percent.

There seems to be a close relationship between stock ownership and education. About 18 percent of college graduates own stock; those with some college attendance, 15 percent; high school graduates, 7.5 percent.

More home owners than renters own stock. Ownership is proportionately highest in communities of 25,000 to 100,000 population and in the far western states, lowest in the South. New York leads the states with about one-fifth of total holdings, followed by Pennsylvania, California, Illinois, and Massachusetts. These five states account for 54 percent of total holdings.

Seventy-six percent of all holders of stock earn less than \$10,000 a year, and 24 percent earn more than \$10,000 a year.

Individuals own 53 percent of total shares, businesses, 15 percent; fiduciaries, 11.3 percent; joint accounts, 7.5 percent, and institutions and foundations, 2.5 percent.

Forty-seven percent of owners prefer manufacturing companies, followed by public utilities, finance, petroleum, and transportation.

Forty-five percent of administrative executives own stocks, 19 percent of operating supervisory officials, 13 percent of professional workers in technical fields, 12 percent of doctors, attorneys, and the like, and 7 percent of farmers.

Stock buyers are on the increase; 1,300,000 bought in the past year; and one-third of all holders bought since World War II. It is believed that 41,500,000 persons between ages 30 and 49 do not own stock.

A breakdown of various types of investments shows that 82 percent of all American families carry life insurance, 53 percent have savings accounts, 42 percent own Series E bonds, 21 percent have annuities or pensions, and 9.5 percent own stocks.

Count on Continental Illinois National Bank



Not only...

for all the usual services
traditionally rendered
to correspondent banks,

But also...

for a wide range
of *unusual* services, small or large,
routine or emergency,
conventional or unconventional
—often such services as could
be rendered only by a bank
of the size and versatility
of the Continental Illinois
with long experience
in serving correspondents.

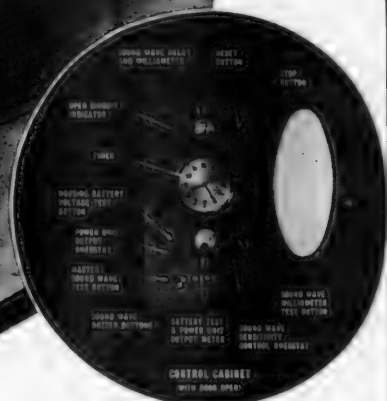


Continental Illinois National Bank and Trust Company of Chicago

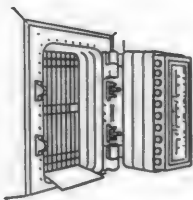
LaSalle, Jackson, Clark and Quincy Streets
LOCK BOX H, CHICAGO 90, ILLINOIS
Member Federal Deposit Insurance Corporation

New! DieboldMc

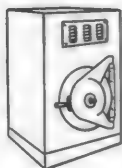
"Calling All Cars...
Holdup at
First National..."



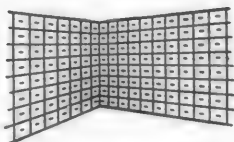
Diebold's control cabinet, when integrated with your vault alarm system, provides 24-hour protection.



The world's largest vault is Diebold-York.



Key-change combinations on Diebold-York Safes and Chests provide an extra form of protection.



The Safe Deposit Box
with architectural
milled bronze hinge.



Diebold-York vault ventilators are adaptable to any wall thickness—no reduction in vault classification.



64% of the top 25 mutual savings banks use Diebold electric Rekordesks.

McClintock police alarms

- *For Metropolitan areas*
- *For Multiple branch banks*
- *For Single bank installations*

Diebold-McClintock Police Alarms, first choice in daylight holdup protection equipment among the nation's financial institutions, now is better than ever.

Important improvements in design and construction provide many advantages. Positive signaling and fast action are assured. Diebold's exclusive "self-verifying" feature tells both the bank and police whether the signal is genuine or accidental.

Its flexibility permits serving one bank—or an unlimited number of financial institutions on a unified and coordinated panel at police headquarters. It can be integrated with your vault alarm at night for 24-hour police protection.

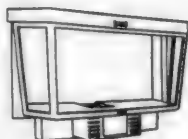
More banks rely on Diebold-McClintock Alarms than all others combined. This worldwide acceptance and Diebold's newest refinements add another chapter to the impressive record of Diebold leadership in bank protection equipment. In materials, craftsmanship and nationwide service by factory-trained experts, Diebold is unsurpassed. Make Diebold your headquarters for protection equipment—there's a Diebold representative nearby, ready to help with every bank protection need. Write or call him today.

BANK DIVISION
Diebold
INCORPORATED

Pre-eminent since 1859

York

Offices in all Principal Cities
General Offices and Plants - Canton 2, Ohio
24-Hour Service from Coast to Coast
by Factory-Trained Experts



416 bank officials with experience in drive-up banking helped to design Diebold Drive-up Counters.

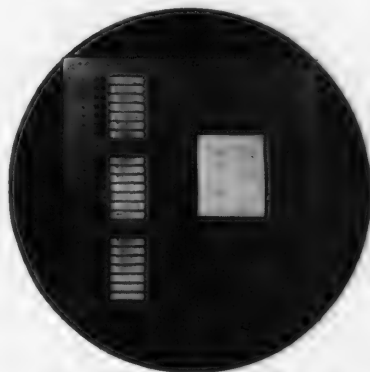


After-hour depositories with complete electrical protection.

Alarm button at teller's window INSTANTLY reports holdup to police—cruiser call is on the air within seconds.



Typical multiple-bank installation at police headquarters serving 21 banks in metropolitan area.



Close-up view of installation at police station. Dual lights are part of equipment that verifies every alarm as genuine or false.



An International Banking School

The following letter was received from A.B.A. Deputy Manager WILLIAM POWERS just after he had attended The Institute of Bankers' Fifth Annual International Banking Summer School at Christ Church, Oxford. The theme of the school was "Banking and Foreign Trade," the ramifications of which were covered by lectures and questions in the mornings and panel discussions in the afternoons through the two weeks of sessions. MR. POWERS is director of Customer and Personnel Relations for the American Bankers Association and registrar of The Graduate School of Banking conducted by the Association at Rutgers University.

LONDON,
August 3, 1952

Dear BANKING:

I HOPE you received the picture and can use it. It caused me plenty of trouble because photographers in Oxford prefer shooting kings and cardinals. Quick shots of working men in action are strictly out for those snappers of poses for posterity. Besides, when I finally did get a glossy of the Americans (with a couple of foreigners thrown in) everyone wanted a print for himself—to show to his boss or wife.

Attention, BUT—

I listened attentively to every word of the speakers and I've read the transcript of every lecture at least twice but—you know what?—I'm still incapable of giving you a brief of the material. It has been 25 years since I personally dabbled in foreign exchange, so I wouldn't dare lift stuff out of context. In addition, you'll notice, all of the lecturers except one were Englishmen. Each was prodigal (and extremely proficient) in the use of words and followed the accepted practice of splitting points into A-1,2,3,4, ad infinitum. That type of presentation makes it impossible for me (or anyone else) to select a few paragraphs



At the International Banking Summer School—front row, left to right, Per Jacobson, economic advisor, Bank for International Settlements, Basle, Switzerland; Mr. Powers; and Mr. Megrah. Back row, left to right, (discussion leaders) C. W. W. Jeffkins, District Bank, London; G. F. R. Ashton, Lloyd's Bank, London; and R. L. T. Parker, Barclay's Bank, Birmingham

that would give you the gist of their varying opinions and ideas.

Therefore, I'll restrict my comments to certain physical and spiritual aspects of my participation in the International Banking Summer School.

Christ Church Setting

The ancient setting of Christ Church (16th century) in Oxford University (11th century) is almost painfully impressive. The combined class and dining room—the Great Hall—has a cathedral-like atmosphere, with a 20-foot wainscoting of solid oak panels surmounted by tall stained-glass windows. The vaulted ceiling is 60 feet above the stone-slab floor. Hung 'round the walls are dozens of giant-sized oil paintings of Henry VIII, Queen Elizabeth I, Cardinal Wolsey, John Wesley, William Penn, William Ewart Gladstone and other notables—most of which have beneath them gold-leaf plates

stating that the men were Christ Church "students" (instructors, to you) in 1650, 1776, 1812, etc., etc.

38 Countries Represented

However, regardless of one's attitude toward dust, soot, and cobwebs, the constructive influence of century-old school traditions creates a receptive spirit in most men who sit in that ancient hall of learning. Specifically, with regard to the members of the International Banking School, it would be difficult to appraise the personal benefit derived from scholastic and social contact by the 200 men who came to Christ Church from 38 countries around the globe.

The scheduled class hours were from 10 to 12:30 and from 2:30 to 4:30 but the meal times (and, of course, tea time) and the evening hours after dinner afforded confab and conference opportunities that yielded fabulous dividends.

(CONTINUED ON PAGE 93)

More home for your money

IN THE \$7,000 TO \$12,000 PRICE RANGE

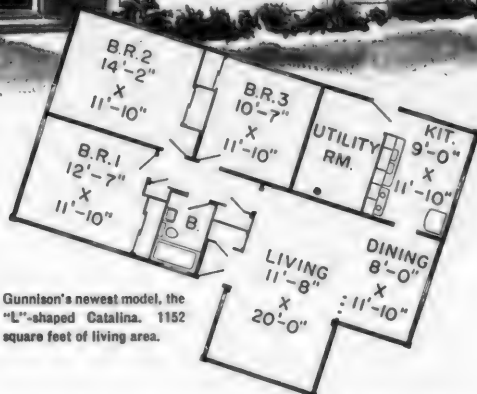


THE GUNNISON HOME is a *known* product, free of doubt and guesswork. That's important to you as an investor. It means you can be *sure* of your investment . . . sure of high-quality materials and sound construction . . . and sure of a satisfied mortgagor.

Much like today's fine automobile, the Gunnison Home is a product of modern factory engineering. It's tested and proved before it's put on the market, and not after the owner has moved in. It's completely engineered before it reaches the building site, and not put together on a piecemeal basis by old-fashioned methods that waste time and allow so much room for error.

This thorough planning, testing and *advance* engineering means every Gunnison Home is right. It's a *known* product . . . and a better product at a lower price.

And the Gunnison Home enhances any neighbor-



Gunnison's newest model, the "L"-shaped Catalina. 1152 square feet of living area.

hood. It's a good-looking, completely modern ranch house. It's practical and easy to maintain . . . the kind of home to which more and more people are turning for comfortable, economical living.

The Gunnison Homes Dealer in your area is listed in the Yellow Section of your phone book. You may wish to contact him in regard to the many mortgage opportunities that are available through him.

GUNNISON HOMES, INC., New Albany, Indiana



"Gunnison" and "Catalina" trademarks of Gunnison Homes, Inc.

Gunnison Homes

"A lot of home—for a little money."

SUBSIDIARY OF UNITED STATES STEEL CORPORATION

our
specialized
methods of
modernizing
existing
structures...



AFTER MODERNIZATION: First National Bank & Trust Company, Alton, Illinois



BEFORE MODERNIZATION

"Before and after" photographs above show how we greatly increased operating efficiency and new business attractiveness of the First National Bank & Trust Company, Alton. One of many features included conversion of small half-balcony into a new mezzanine. Adequate space has been provided to allow for future expansion requirements.

is important to every bank considering new quarters... particularly today!

If your bank has outgrown its present quarters, then it would be wise for you to investigate the possibilities of transforming your *existing* property into bright, modern and efficient quarters. But remember—in order to accomplish this effectively, your designer *must* have a thorough knowledge of the banking business... and the ability to translate this knowledge into functional architecture. Any architect can design pretty offices, but it takes a *specialist*, one who understands your bank's particular needs, problems and requirements for future expansion, to create quarters which will be the essence of efficiency, hold maintenance and overhead to a minimum, and which actually will help *attract new customers*. Our 40 years' experience, plus the combined ability of our vast organization of bank designing and building specialists, has enabled us to produce unusually successful modernization projects for a great number of banks throughout the nation. Write or telephone us—*today!*

Mail this coupon today!

Mr. J. B. Gander, President		708
BANK BUILDING AND EQUIPMENT CORPORATION		
OF AMERICA		
9th & Sidney Streets, Saint Louis, Missouri		
On or about..... (date), we contemplate		
<input type="checkbox"/> New Building	<input type="checkbox"/> Modernized Building	
<input type="checkbox"/> New Fixtures	<input type="checkbox"/> Modernized Fixtures	
Please furnish complete information about your organization, its service, experience and projects you've completed.		
Name.....		
Title.....		
Bank.....		
City..... State.....		

Bank Building  Corporation
OF AMERICA

Headquarters: ST. LOUIS, 9th & Sidney Sts.

Offices in: NEW YORK, 103 Park Ave., N. Y. City • ATLANTA, Western Union Bldg. • SAN FRANCISCO, Mechanics Institute Bldg.

An International Banking School

(CONTINUED FROM PAGE 90)

For instance, I—being primarily interested in personnel administration—took advantage of after-hour contacts to get a line on bank staff problems as they exist all over creation. Men from New Zealand, Australia, India, Egypt, Italy, Switzerland, Germany, Spain, France, Holland, Denmark, Sweden, Norway, Finland, England, Scotland, Ireland, Canada, and Argentina—representing 60,000 employees in 3,400 main and branch offices—contributed factual information on working conditions and future career prospects that will be helpful to Americans in determining the relative economic status of the 440,000 people in our 15,000 banks.

14 Bankers' Associations

Another extra dividend came out of the two half-day meetings participated in by representatives of 14 bankers' associations and institutes. This informal group of national association executives met first in 1951 and is scheduled to meet each year in conjunction with the International Banking Summer School. The exchange of technical information and professional viewpoints that takes place both in the meetings and in the interim is bound to be of benefit to all groups concerned. It could be of particular value to American bankers who are becoming increasingly interested in the functioning of foreign banking systems.

IBSS in Belgium in 1953

At the conclusion of the school session—climaxed by a simple but highly dignified banquet in honor of A. H. Ensor, president of The Institute of Bankers, and marked by well deserved tribute to Maurice Megrah, secretary of the Institute, who functioned as director of the school—it was decided that the IBSS would be held in Belgium in 1953, in Spain in 1954, and return to Oxford in 1955.

While I may never again attend the school, I shall always be interested in its purposes and accomplishments. They are peculiarly similar to those of our own G.S.B.

BILL POWERS



Take advantage of the correspondent banking services of Guaranty Trust Company and you place *extra* banking facilities at the disposal of your customers.

Broad and effective, these services enable you to meet the requirements of individuals, as well as financial, commercial and government organizations, *anywhere*.

Branch offices in Europe and correspondents in every part of the world also enable Guaranty Trust Company to help you understand local conditions and gain on-the-spot information wherever and whenever required.

Guaranty Trust Company of New York

Capital Funds \$382,000,000

140 Broadway, New York 15

Fifth Ave. at 44th St. New York 36 Madison Ave. at 60th St. New York 21 Rockefeller Plaza at 50th St. New York 20

LONDON
32 Lombard St., E. C. 3
Bush House, W. C. 2

PARIS
4 Place de la Concorde

BRUSSELS
27 Avenue des Arts

Member Federal Deposit Insurance Corporation

Standard Check Paying Procedures

A SUBCOMMITTEE of the Committee on Bank Management of the Illinois Bankers Association has completed a survey on check paying procedures and return item practices in which more than 600 banks participated. The committee's report, recently released, embodies a set of recommended procedures and practices based upon the survey's results.

BANKING reproduces here the recommendations in each category, but to show how the recommendations were arrived at, the complete survey result of one category is shown first.

Date of Checks

Q. What do you consider a stale date:

Replies: 3 months—134 banks
6 months—222 "
12 months—192 "
Over 12 months—49 "

Q. Would you adopt uniform time period?

Replies: Yes—564 banks
No—119 "

Q. Do you contact maker for O.K. to pay stale-date checks?

Replies: Yes—481 banks
No—121 "

Q. If you do not refer to maker, would you adopt practice?

Replies: Yes—84 banks
No—22 "
Unanswered—15 "

Q. Do you contact maker for O.K. to pay post-dated checks?

Replies: Yes—230 banks
No—378 "

Q. If you do not refer to maker, would you adopt practice?

Replies: Yes—165 banks
No—129 "

Recommendations:

1. Treat as "stale dated" any check dated more than twelve months previously. (To avoid receipt of stop-payment orders on old items, consider notification of business accounts that bank will not pay without question stale dated items.)

2. For efficiency, keep stop-payment orders active for a reasonable period from date of item and refer older items to a transfer file of stop orders until item would be stale dated.

(Reasonable period of time can be determined in each bank by study of own situation.)

3. Contact maker, unless out of town depositor, before returning checks for reason "stale date."

4. Return post-dated checks without reference to maker, unless you have established practice of contacting on such items.

Altered Checks

Contact maker (unless out of town depositor) before returning checks for reason "Alteration of ——" or "Guarantee Alteration of ——".

Amount Variation

When figure amount differs from amount in words by \$—* or less, disregard discrepancy and pay figure amount. Contact maker (unless out of town depositor) when figure amount differs from amount in words by \$—* or more.

*(Bank should set amount, which should be at least \$1.00.)

Missing Signature

Contact maker (unless out of town depositor) for approval to pay check without missing signature. Return check when unable to make contact, or maker so instructs. Note: Consider having maker confirm approval to pay item in writing or supply missing signature.

Unauthorized Signature

Contact maker (unless out of town depositor) for approval to pay check, and return only when unable to make contact, or maker so instructs. Note: Consider having maker confirm approval to pay item in writing, or supply authorized signature.

Signature Compares Unfavorably With One on File

Contact maker (unless out of town depositor) for approval to pay check. Return check when unable to make contact, or maker so instructs. Note: When great dissimilarity exists, consider having maker confirm approval to pay item in writing.

Endorsement of Payee

Disregard inspection of reverse side of check for endorsement of payee when amount of check is \$100 or less. Note: Banks having adopted higher amount because risk is commensurate with costs saved should continue present practice.

Endorsement of Collecting Banks

Disregard inspection of reverse side of check for clearing house stamp or endorsement of collecting bank when amount of item is \$100 or less. Note: Banks having adopted higher amount because risk is commensurate with costs saved should continue present practice.

Endorsements Requested by Depositor, When Missing

When forwarding items which have already been paid and canceled, for payee's endorsement, and it can be clearly determined that bank of deposit is situated in Illinois, send item direct to bank of deposit for "Attention of Cashier." When name of bank of deposit cannot be clearly determined, send item to last endorsing bank, without entry. When bank is situated outside Illinois, send item to last endorsing bank, without entry. Note: Regardless of how item is forwarded, bank should retain complete description in writing or on microfilm.

The Committee

Walter C. Streeter, assistant vice-president, City National Bank and Trust Company of Chicago, is chairman of the Committee on Bank Management (1951-52) of the Illinois Bankers Association. The special subcommittee which assisted in the survey and recommendations comprises:

Willard C. Galitz, president, First National Bank of Skokie; H. A. Whittenberg, cashier, The Bank of Herrin; C. Edgar Johnson, vice-president, First National Bank of Chicago; R. B. Van Haaften, president, National Bank of Harvey; H. T. Wanberg, assistant secretary, Illinois Bankers Association.

LOW COST "Screen Broadcast" SPOT MOVIE ADS



in Your Local Theatres

Show What Your Bank Offers. Get new depositors, new customers for your Bank by using powerful Spot Movie Ads on the screens of your local movie theatres. Typical scenes from these professionally made, interesting talking movie shorts are shown at left. They demonstrate the advantages of a checking account, show people the convenience of your services . . . invite them to YOUR Bank for friendly advice and help.

Reach Your Best Prospects. Your Spot Movie Ads are shown in theatres you select in your own community. On the giant screen, they get the undivided attention of the movie-goers of your locality—your best prospects. You'll be surprised how little this hard-hitting advertising costs.



1/3 OF EACH SPOT MOVIE AD SHOWS YOUR BANK NAME and

location, features your services in a forceful selling talk that you select. Let us schedule a Movie Ad campaign for you that will really get results! Over 50,000 local firms, including hundreds of Banks, use screen advertising—proof that it pays. We handle all details.

Get the facts. Use coupon below.

BRING LOCAL THEATRE CROWDS INTO YOUR BANK.

CLIP and MAIL coupon NOW.

No obligation

The Screen Broadcast Companies

Motion Picture Advertising Service Co., Inc.

1032 Carondelet St., New Orleans, La.

United Film Service, Inc.

2449 Charlotte St., Kansas City, Mo.

Members of Movie Advertising Bureau



United Film Service, Inc.

Dept. B-5

2449 Charlotte St., Kansas City 8, Mo.

Please send me more information on Spot Movie Ads.

Firm

Address

City

By

Zone

State

Orchids for Gracious Giving

Give beautiful, exotic Hawaiian Vanda Orchids to

- ✓ Bring in new depositors
- ✓ Bring back old depositors
- ✓ Show your appreciation to present depositors

Banks across the country are also using the Orchids Promotion successfully for

- ✓ New Openings
- ✓ Anniversaries
- ✓ Special Days
- ✓ Special Events

For only a few cents each—thrill your customers with this beautiful, dignified gift. Write today for price list and full details in our free brochure.

DEPT. B-82

Flowers of Hawaii, Ltd.

670 South Lafayette Park Place
Los Angeles 5, California
(Growing Ranges, Hilo, Hawaii)

The banker wants to know —

about the contingent liability created by wide differences between original and replacement costs — the effect on balance sheet, profit and loss, and insurance. American Appraisal Service furnishes the answer.

The AMERICAN APPRAISAL



Company

Over Fifty Years of Service

OFFICES IN PRINCIPAL CITIES

Foreign Investment in Spain

SPAIN, which has successfully elicited Congressional interest to the tune of more than \$160,000,000 on the theory that it can assure us a military foothold on the Continent, strikes the traveler as a decidedly "underdeveloped" country. Here, surely, is a field for investment. There are "conditions," of course: legal requirements in Spain as in many other countries as to the percentage of local ownership and management. The shortage of hard currencies also deters foreign capital in Spain. Hence there has been a tendency of late for American firms to enter Spain on a royalty or license-fee basis.

In view of Spain's influence on Latin America, where much American capital is invested, the Iberian monarchy's treatment of foreign investment is closely watched by U.S. officials. There was the case of the IT&T, which in 1925 got a contract for rebuilding and operating the telephone system in most of Spain. Feeling against foreign ownership threatened the Spanish enterprise in the 1930s. After the Civil War of 1936 the American management lost control over wages, salaries, and other operating conditions and in the end accepted the Spanish Government's offer to buy the company for cash and Spanish Government bonds. The agreement has been honored and the last payment was made this summer. The Compania Telefonica continues to be run efficiently by personnel trained during the American ownership.

Less happy has been the experience of Belgian and Canadian investors in the Barcelona Traction, Light and Power Company. Going back to 1911, the story of what has befallen this exceptionally prosperous foreign investment, which produces more than 20 percent of Spain's electric power, is exceedingly complicated. During recent years there hovers in the background the desire of certain Spanish interests to acquire control of the enterprise. What has happened has created a completely new pattern of expropriation developing out of Spain's system of exchange control. Since many countries in Latin America and elsewhere employ exchange control, the lessons of "Bar-

celona" may be taken to heart by future potential investors in foreign enterprises.

"Barcelona" had outstanding a considerable amount of sterling bonds for the servicing of which it could not, owing to the exchange control, obtain the needed foreign currency. The greater part of the sterling bonds was bought up on the London market by the Spanish interests which previously had sought to buy control of the company in Spain. Thereupon a few Spanish holders of Barcelona's sterling bonds secretly brought suit in an obscure Spanish town called Reus to have the company declared bankrupt on the grounds that it was unable to service the sterling securities. The company was not even notified that the trial would take place, and the court quickly ruled that Barcelona was bankrupt. Since the consent of the Belgian and other foreign shareholders naturally was not forthcoming, the Spanish court ordered duplicate shares issued in Spain. The holders of these shares thereupon replaced the old management with Spaniards.

For five years or more the Belgian and other original owners have been seeking redress through judicial and diplomatic channels in Spain, Britain, Canada, and elsewhere. Outside of Spain they have obtained decisions in their favor. Even the U.S. Government, although Americans have no direct interest in the matter, has more than once sought to persuade the Spaniards to come to an amicable settlement with the foreign shareholders, lest the example of Barcelona put a damper on Washington's efforts to promote private U.S. investment in underdeveloped countries.

How the Barcelona story will end cannot be predicted. Apparently the door is open for a practical settlement. In Brussels one of Barcelona's officers, Charles K. Wilmers, while indicating that the foreign investors in the company have no intention of abandoning the fight, informed the writer that "the equity interests would welcome with pleasure a Spanish share in the enterprise to facilitate a fair solution of the present difficulties."

HERBERT BRATTER

Methods and Ideas

(CONTINUED FROM PAGE 59)

community business: "It's fun to be needed—to feel that the work you do really counts in the lives of the people you are dealing with."

The illustrations are mostly scenes in the bank.

BANKING asked Mr. Brown how the brochure idea was working.

"Fine!" he said. "Eighty percent of our applicants take it home."

Washington Bank TVs D. of C. Affairs

THE NATIONAL BANK OF WASHINGTON is getting wide publicity and much goodwill through sponsorship of a television program dealing with municipal government affairs in Washington, D. C.

Featuring the three Commissioners—F. Joseph Donohue, Brigadier General Bernard L. Robinson and Renah Camalier—who manage the District of Columbia government under congressional committees, "Your Commissioners Report" is telecast Monday evenings from 8:30 to 9:00. Each show presents two Washington newsmen and a representative of one of the city's 53 citizens associations, who question the Commissioners on District matters of all

After the first sponsored showing of TV "Your Commissioners Report": Left to right, Kenneth Berkeley, vice-president and general manager of Station WMAL-TV; Commissioner Donohue; Barnum L. Colton, president of the National Bank of Washington; and Commissioner Robinson



Guest Critic Charles Riker of Loyola University, Los Angeles, commenting on speeches that have been made at a meeting of the Union Bank Toastmasters Club (see story, page 59)

kinds—traffic problems, public schools, police affairs, the budget and so on. Moderator is Bryson Rash, ABC's Presidential announcer, who also handles the opening and closing commercials for the bank.

In assuming sponsorship of "Your Commissioners Report" on May 19, Barnum L. Colton, president of the National Bank of Washington, announced that his bank was offering the program "as a public service to give the people more information about District government."

"The program aims to give our citizens a better understanding of municipal affairs," he said, "to acquaint them with District officials and programs, to keep them abreast of the Commissioners' opinions and to interpret these with regard to their effect on the public welfare."

The commercial messages are built on a public service theme, stressing the bank's growth and development with the nation's capital since 1809.

Newspaper coverage of important matters discussed on the program serves to build interest in "Your Commissioners Report."

Ralph G. Wilson, a vice-president of the National Bank of Washington, coordinates the advertising program under Mr. Colton's direction.

Ads in Three Languages

BANKERS who have to worry only about advertising in English can sympathize with banks in multi-lingual places—Hawaii, for example.

The BISHOP NATIONAL BANK of Honolulu recently ran a series that

stressed savings. The ads appeared in the Territory's newspapers and in various Japanese and Chinese language journals. Copy was kept short to minimize language barriers.

"We're Proud of You Folks"

THE FIRST NATIONAL BANK of Braham, Minnesota, in a pleasant, newsy letter accompanying its June 30 condition statement, reported on constructive happenings in the community during the year's first half, and reminded the public that the bank was keeping step.

This ad, in Chinese, reads: "Through Rose-colored Glasses . . . everything looks rosy. You're only fooling yourself, though. Sooner or later, you have to face reality — and one good way to face it happily is to have money in the bank, ready to meet your needs and emergencies . . ."

請勿以有色眼鏡看物





錢錢似水好花，這是自然的，不久你
會感到美，其中身之一為命故乎
銀行，準備條件及資金，並日有
款項不，但如能存於銀行第一，則
所得利息，將使你美，只此一則
能減少利息，尤望今日起行之為要

隨開我們自動存款計止三個月
美國政府有款存款 美國政府有款存款



專辦國家銀行

The letter, signed by President Oscar A. Olson, opened with the greeting, "Opportunity keeps on knocking in Braham," adding that "the knock is always answered, as evidenced by the steady growth and development in this area."

Since the first of the year, the letter continued, plans were well along for the \$190,000 school addition; the Evangelical Lutheran Church was adding a new Sunday School and youth room; the electric association was building a \$25,000 garage; a local manufacturing company was expanding; the theater

was "done over"; a hatchery had opened; two physicians set up a clinic; Braham had a new shoe store.

This progress was reflected in the condition statement: "An increase of over \$36,000 in loans during the past six months shows that this bank has a vital interest in contributing to local progress. During the same period deposits have increased over \$132,000. Braham is enjoying steady, healthy growth... and the First National is keeping pace with progress. The letter concluded:

Yes, opportunity keeps on knock-

ing in Braham, and we are proud of you folks in this entire area. You know opportunity when you see it . . . you are planning for a better future . . . you're helping build a fine community. And as progress continues, remember you'll find at the First National all the banking services and facilities to meet all your needs all the time.

A Lively Contest

BANKS that offer a correct-time-by-telephone service frequently offer a prize for the person whose call is No. 100,000, or other round number.

FIRST NATIONAL BANK AND TRUST COMPANY of Tulsa varied the procedure by offering substantial prizes for the closest guesses as to when its time-telling machine would register the 100,000,000th call. Entry blanks were distributed in the lobby to more than 8,500 persons. The closing date was set far enough ahead that entrants wouldn't watch the machine and guess.

Newspaper publicity kept Tulsans posted, and phone calls for the correct time, normally 22,000 a day, increased to more than 28,000.

Then one day at 14 seconds past 5:59 P.M., Call No. 100,000,000 was taken. First prize, \$250, went to Ben W. Putnam, whose guess was 7 seconds after 5:59. The other two winners, who received \$150 and \$100 for second and third places, were less than two minutes off.

Cashier Roscoe Adams presented Putnam with his check on the bank's television program the following Sunday. Mr. Adams reports that the contest created more public interest than anything the First

Joseph E. Birnie, president of The Bank of Georgia, Atlanta, accepts the annual report and statement of condition of The Junior Bank of Georgia, a Junior Achievement project, from Miss LeMerle Pope, president of the JA bank, sponsored by the big bank



MISSING . . . \$800,000,000

In the past two years, 1950 and 1951, direct investments in Canada by U.S. businessmen increased by approximately \$800,000,000. The investors, many of them your customers or prospective customers, want a bank that knows Canada.

Imperial Bank is in a position to offer you on-the-spot information about Canada. Our branches, many of them strategically located throughout the mining and oil areas, serve as 'listening posts' to keep you up-to-date on changing business trends, conditions, opportunities.

We invite interested U.S. banks to write us . . . we'll be glad to outline our services.

40-2

IMPERIAL
THE BANK THAT SERVICE BUILT
IMPERIAL BANK OF CANADA

had done since the opening of its new building nearly two years ago. Many new savings and checking accounts, as well as personal loans, were attributed to the competition. And then, of course, there was the goodwill.

"For a Better Life"

A SERIES of folders designed to increase still further the American standard of living is being prepared by a group of bankers for distribution by banks.

Heading the group is George M. Clark, president of the Pioneer Bank, Chattanooga, Tennessee. The program aims at "the maintenance and expansion of those principles, practices and policies that have enabled the standard of living in America to progress so far above that of the rest of the world." It is also, the group points out, good customer relations.

Each folder carries a brief preface affirming the cooperation of the distributing bank in a program "for a better life." The text, simply written, is educational and along economic lines. Three in the series have been completed: "The Miracle of America," "A New Theory of Government" (the Constitution), and "The Bill of Rights."

The series is an outgrowth of Mr. Clark's personal concern over the apathy of Americans toward England's economic plight and their lack of understanding of its causes. The Chattanooga banker made two investigative trips to Europe, reporting his observations in speeches, radio talks, and telecasts. Encouraged by public reaction to his personal crusade for the highest possible living standard here, Mr. Clark enlarged his program to include other bankers and extensive research studies. The "For a Better Life" series resulted.

Some of the men who have been working closely with Mr. Clark are: Milton P. Bradley, president, Bank of New Haven; Robert O. Bonnell, vice-president, Fidelity Trust Company, Baltimore; William J. Fischer, president, Progressive Bank and Trust Company, New Orleans; Ernest A. Peel, vice-president, Plantations Bank of Rhode Island, Providence; R. W. Pitman, vice-president, Central-Penn National Bank, Philadelphia; W. A. Hess, vice-president, Bank of Virginia, Richmond; Keith

C. Cone, vice-president, LaSalle National Bank, Chicago; Thomas C. Boushall, president, Bank of Virginia; Ellery C. Huntington, Equity Corporation, New York; Hartwell F. Taylor, former national president of the American Institute of Banking; and Syd J. Hughes, former vice-president, Industrial Bank of Commerce, New York.

In Brief

THE BANK OF MONTREAL tied in its loan service with a coal promotion advertisement in the *Star*. Tak-

ing a third of a page, the bank asked readers whether they needed a "lump sum" to fill their bins at summer prices, and offered to underwrite the bill by making a loan, payable in nine instalments, to properly qualified householders. The other ads on the page were coal dealers,

THE FIRST NATIONAL BANK OF CLARKSVILL, Tennessee, has rented parking space adjacent to its building for the use of customers. The attendant is an off-duty policeman paid by the bank.



Prompt Handling...

the ability, coupled with an honest desire
to give full attention to every item in the
daily routine *without delay*.

You are cordially invited to use the facilities of...

the FIFTH THIRD UNION TRUST co.

CINCINNATI, OHIO

member

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORP.

Simplicity in General Ledger Accounting

In this article MR. HINKLE, assistant treasurer of The Pennsylvania Company for Banking and Trusts, Philadelphia, explains his bank's coding procedure for handling general ledger accounts—a system that expedites preparation of statements for officers and supervisory authorities.

UNIFORMITY, standardization and simplicity in bank accounting, reports and statements are very desirable, and with this thought in mind we have prepared a procedure for the handling of general ledger accounts. These accounts are coded numerically and arranged in a sequence which facilitates the preparation of various statements required by our officers and directors, as well as bank supervisory authorities.

In considering the arrangement of accounts, assets have been listed according to liquidity and liabilities have been arranged in the order of current obligations. This arrangement conforms generally with the requirements of Federal and state banking authorities.

The coding of these accounts simplifies the preparation of Federal and state "call reports," as the primary number is the same as the line number on these reports, the secondary number signifies filing sequence, and the tertiary number indicates a subsidiary record. The cards are filed in our posting trays by code number, control accounts in one tray, subsidiary records in another.

Here is a sampling of our code:

ASSETS

CODE

- 1-1 Cash in Vaults
- 1-2 Petty Cash
- 1-3 Due from Federal Reserve Bank—Reserve A/C (Control A/C)
- 1-4 Due from Federal Reserve Bank—Collection A/C (Control A/C)

E. J. HINKLE

- 11-6-10 Interest Received, FHA Insured Mortgages, Trust Dept.—Contra A/C
- 11-6-11 Other Real Estate, Trust Dept.—Contra A/C
- 11-6-12 Transit Overnight (Suspense A/C)

LIABILITIES

- 13-1 Deposits—Individual—Demand (Control A/C)
- 13-2 Deposits — Individual — Time (Control A/C)
- 13-3 Deposits Due to Banks—Demand (Control A/C)

- 28-3 Reserve for Trust Departments
- 28-4 Reserve for Contingencies

INCOME

- 100 Interest Earned
- 100-A Interest Earned; Time Sales Division
- 100-1 Commissions
- 100-1A Commissions — Fees on Special Check Accounts
- 106-1 Income & Expenses—Other Real Estate
- 106-2 Income & Expenses—Bank Buildings

EXPENSES

- 200-1 Expenses
- 200-2 Expenses, Accounts Receivable Division
- 200-3 Expenses, Time Sales Division
- 204 Taxes
- 302 Loans, etc., Participated
- 303 Contingent Liability—A/C Letters of Guaranty

(Due to Banks, Due from Banks, Savings Funds, Trust Funds, Official Checks and Departmental Accounts are carried in a subsidiary section and posted on a three-shift basis so that proper totals are available as required.)

As our transit department is operating on a round-the-clock basis it is a simple matter to have all general ledger entries on hand for posting as early on the following morning as necessity dictates. Therefore, when our chief clerk arrives for work, all entries affecting the settling of the bank's position, for the previous day, are available.

His first duty is to examine closely each debit and credit, comparing the coding and account title; if either does not agree with the code book he must make proper adjustment on the incorrect item. The entries are inspected for correct description, signature, and branch designation and are changed as required to record the transaction properly.

THE next step is the sorting of the items in proper sequence to facilitate posting. This is done by sorting first by primary code number, then secondary number, and, finally, tertiary code number. When this is completed, lists are run on an adding machine incorporating all debits of the same coding—i.e., all 6-2s are totaled to assist the bookkeeper in control posting. The credits are handled in the same manner. The items are now ready to be posted on the ledger card.

Our general ledger is posted on a bookkeeping machine, with a stop set up to allow for typing of description of postings as desired, accumulating totals of debits, credits, old and new balances, thus supplying a proof of posting other than the proof that will be commented on later in this article. In view of security requirements, we are using double journal sheets as a copy of our ledger posting, sending one journal to a distant branch office and filing the other in our main vault.

The machine is cleared, journals for posting of income accounts are inserted, and posting is begun. Each balance on a "control" account is

(CONTINUED ON PAGE 102)



Master of Kittery Point

SIR WILLIAM PEPPERRELL

First American Baronet



*Sir William Pepperrell
at the battle of Louisburg*

From the windows of his mansion at Kittery Point, William Pepperrell, richest man in Maine, could see his ships departing and arriving from the West Indies and Europe. The house, built by his father in 1682, was "one of the most magnificent provincial residences"; through the hall, it was said, a cart and oxen could be driven. Smaller than in Pepperrell's day, his birthplace is now privately owned.

Besides being a merchant and shipbuilder, Pepperrell took an active part in politics and was an officer in the militia. Although he had no legal training, the governor appointed him chief justice of the colony when the incumbent was removed for political reasons. Reversing the usual order, after his appointment Pepperrell set about studying law.



His chief exploit was commanding an expedition in 1745 against the Canadian stronghold Louisburg, one of France's important fortifications. In recognition of his efforts in bringing the siege to a successful conclusion, George II made him a baronet, an honor never before conferred on any native American. He was also the first American to be a general in the British royal army and for a few months served as acting governor of Massachusetts which at that time included Maine and New Hampshire.

Sir William was proud of his success and cut a fine figure as he rode about in his coach attended by footmen and outriders, but his overwhelming ambition to have his name perpetuated failed of fulfillment. Of his four children, Andrew, the only son to reach maturity, was engaged to Hannah Waldo but postponed the marriage date several times presumably because of ill health. When the wedding day finally arrived, in the presence of the assembled guests, the bride called off the ceremony because of

the mortification she had been caused. The grief-stricken Andrew died shortly thereafter.

After Sir William's death in 1759 the property passed to his daughter's son William Sparhawk on condition that he take the name Pepperrell. As he was a Loyalist he fled to England when the Revolution broke out.

*The Home, through its agents and
brokers, is America's leading
insurance protector of American homes
and the homes of American industry.*

☆ THE HOME ☆ *Insurance Company*

Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

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(CONTINUED FROM PAGE 100)

picked up and printed on the journal regardless of whether a debit or credit posting is necessary. A ledger card is inserted, the old balance is picked up and printed, and then the machine is spaced to a position for typing the account code number on the journal sheet; then a description of the item to be posted is added, if one is required. Income accounts are posted, totals are taken of debits, credits, and old and new balances, and journal sheets are removed. New journal sheets are inserted for expense account posting, which is done in the same manner as the income accounts. The expense journal sheets are removed and the income journal sheets are re-inserted. The total of new balances of the income accounts is picked up in the new balance column and the total of the new balances from the expense journal is deducted. The balance left is the net "current period earnings."

NEXT, following on the same journal sheets are the postings for the asset accounts. These are posted in the same manner, each control account balance being picked up and printed on the journal sheet even if it is not affected by a debit or credit. After each account is handled, totals of debits, credits, and old and new balances are taken and the journal sheets removed. The journal sheets used for expense account postings are again inserted and the liability accounts are posted just as were the asset accounts, except that credits are posted in the first column and debits in the second, so that black balances appear in both asset and liability accounts. This speeds the operation. When all accounts are posted, the total of the current period earnings is entered in the new balance column and totals are taken of credits, debits, and old and new balances. The total new balance should agree with the total new balances of the assets.

The subsidiary accounts, including individual card records on bank buildings by address, lease improvements by address, all securities in our portfolio, amortization of premiums on securities, by classification and name of bond issue, errors in tellers' cash, carried by branch and teller's name, bills and accounts receivable, prepaid taxes, prepaid

insurance, prepaid expenses, various types of loans by type and branch, branch control on savings fund interest and accruals, etc., are posted and our general ledger is complete. Monthly expense accruals are posted to some of these subsidiary accounts.

While the bookkeeper is posting the subsidiary accounts, the chief clerk is preparing the journal sheets of the assets and liabilities so that a condensed statement of condition may be typed and mimeographed for distribution to our officers. The

chief clerk extends the totals of the balances of control accounts that are to be reported, consolidating a few totals to meet our requirements.

This entire operation, with a general ledger, including subsidiary accounts of approximately 1,500 accounts, with postings averaging 800 to 900 items per day, is completed by one bookkeeper in four or five hours.

We believe that this simple method of recording general ledger entries has reduced the time consumed and overall expense.

Sample balance sheet showing how The Pennsylvania Company uses the code system.

STATEMENT AS OF THE CLOSE OF BUSINESS			
RESOURCES	CODE NUMBERS	INCREASE IN THOUSANDS	DECREASE IN THOUSANDS
Cash in Vaults.....	1-1 & 2		
DUE FROM Fed. Res. Bank—Res. a/c.....	1-3		
" " Fed. Res. Bank—Col. a/c.....	1-4 & 5		
" " Other Banks and Bankers.....	1-6		
" " Clearing House.....	1-7		
TOTAL CASH AND DUE FROM BANKS			
SECURITIES—U. S. Governments.....	2		
" State, County and Municipal.....	3		
" Other Bonds.....	4		
" Stocks.....	5		
TOTAL SECURITIES			
LOANS—Bills Rec. — Banks.....	6-2		
" Demand — Banks.....	6-3		
" Demand — Individual.....	6-4 & 5		
" Demand — Brokers.....	6-7 & 8		
" Demand — Commercial.....	6-9		
" Time—Individual.....	6-10 & 11		
" Time—Commercial.....	6-12 & 13		
" Acc's Rec. Div.....	6-14 & 15		
" T/S Consumers Installment.....	6-16		
" T/S Rediscounts and Participations.....	6-17		
" T/S Floor Plan to Dealer.....	6-18		
" T/S Installment to Business—Secured.....	6-19		
TOTAL LOANS			
Mortgages and Ground Rents.....	6-20		
Bank Buildings.....	7-1		
Furniture, Fixtures and Vaults.....	7-2		
Lease Improvement Account.....	9		
Customers Liability a/c Acceptances.....	10-1		
Customers Liability a/c Letters of Credit.....	10-2		
Accrued Interest Receivable.....	11-1, 2, 3		
Prepaid Taxes and Expenses.....	11-4		
Bills and Accounts Receivable.....	11-5		
Miscellaneous Assets.....	11-6		
TOTAL RESOURCES			
LIABILITIES			
DEPOSITS—Individual — Demand.....	13-1		
" Individual — Time.....	13-2		
" Due to Banks — Demand.....	13-3		
" Due to Banks — Time.....	13-4		
" Savings Fund.....	13-5		
" U. S. Treas. Tax and Loan Acc't.....	13-6		
" State, County and Mun.—Demand.....	13-7		
" State, County and Mun.—Time.....	13-8		
" Certificates of Deposit.....	13-9		
" Trust Funds — Individual.....	13-10 & 11		
" Trust Funds — Corporate.....	13-12		
" Certified and Official Checks.....	13-13 & 14		
TOTAL DEPOSITS			
Bills Payable—Banks.....	20		
Acceptances for Customers.....	22-1, & 2		
Letters of Credit Issued.....	22-3		
Accrued Interest Payable.....	23-1		
Unearned Interest.....	23-2		
Accrued Taxes and Expenses.....	23-3		
Misc. Liabilities—Incl. Res. for Dividend.....	23-4 & 5		
Capital.....	25		
Surplus.....	26		
Undivided Profits.....	27		
Reserve for Bad Debt Losses.....	28-1		
Reserve for Securities Fluctuations.....	28-2		
Reserve for Trust Departments.....	28-3		
Reserve for Contingencies.....	28-4		
TOTAL RESERVES			
TOTAL LIABILITIES			

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full color. Just call, or write for this
FREE merchandising help.



Put this handsome new Summer-Fall counter card to work in your bank. Let it help sell First National Bank of Chicago Travelers Checks for you.

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Our generous policy on Travelers Checks is typical of the kind of service we offer member banks. If you are not now a correspondent of The First, ask to have a representative call to explain all our

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Washington

(CONTINUED FROM PAGE 51)

was scheduled to complete a report this summer into its study of the adequacy of standards of housing insured and guaranteed by the Government, the subcommittee decided to extend its work.

Following the national elections, the subcommittee probably will hold further hearings both in New York City and on the West Coast. Hence it will not report to the full committee until next January.

Small Banks Exempt from Wage Control

It was provided, under regulation, in accordance with the modified Defense Production Act, that all business enterprises employing eight or fewer persons (except those organized since January 25, 1951, or located in Alaska) shall be exempt from salary and wage control. This means that hereafter thousands of small banks are released from the necessity for complying with the salary and wage control regulations.

Work for Agreement on Holding Company Bill

As an outgrowth of a resolution adopted at the spring meeting of the Executive Council of the American Bankers Association, there began during August a series of exploratory discussions which it was hoped would lead toward an agreement upon an acceptable form of a bank holding company regulation bill. The resolution suggested a pursuit of this subject to see if the interested parties could not reach an agreement.

The first meetings were held at the Federal Reserve Board, with Governor J. L. Robertson presiding. Governor Robertson presented the Board's viewpoint on bank holding company legislation at the one-day hearing held by the House Banking Committee just before the close of the session, on the holding company bill introduced by the committee's chairman, Representative Brent Spence (D., Ky.).

In attendance were representatives of the A.B.A. and the Independent Bankers Association. After meeting with Governor Robertson the group met with Preston Delano,

Comptroller of the Currency, and later with Chairman Maple T. Harl of the FDIC.

A considerable area of agreement was reported by officials and individuals taking part in the meetings. It is understood that Governor Robertson will prepare a brief or memo of the discussions, with a view toward further exploratory discussions.

Independent bankers' groups have favored the Spence bill and have opposed the more restricted legislation embodied in the May 1950 bill by Senator A. Willis Robertson (D., Va.). The Federal authorities, for the most part, have tended to agree on the principles of the latter bill.

Ben DuBois, secretary of the Independent Bankers, said after the first meetings that he felt they had been quite successful, that all concerned were in agreement upon the necessity for bank holding company legislation, and are pretty much of a mind as to principles. There is, however, perhaps a difference of opinion as to the proposed machinery necessary to regulate bank holding companies, and on other details of the legislation.

In this connection it was noted that Representative Spence succeeded in winning his party's nomination for reelection to the House from Kentucky. The Congressman was forced to run against another incumbent of his own party due to a loss by Kentucky of one seat under redistricting. Mr. Spence is an ardent advocate of bank holding company legislation. Had he been defeated in the primary the leading figure driving for this legislation would have been absent from Congress.

Optional Course Offered Under New Merger Bill

Officials have pointed out that, under the new "bank merger" law provided by Congress, it is not their intention to waive generally the rights of dissenting stockholders, in the case of a prospective merger, to demand payment in cash for the appraised value of their shares.

The new law authorizes the Comptroller of the Currency to waive this requirement of present law. This was done so that where a larger institution is absorbing a smaller one, the merger cannot be held up because of the possibility that shareholders of the large institution would use the merger as an excuse to demand a pay-off in cash. This

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possibility arises because of the present situation of bank stocks so often selling below their book values.

Present law will be used in most cases, it was stated. Under the present law dissenting shareholders may voice their opposition and demand the pay-off if they are voted down.

Waiver of this right, officials said, will only be made in the case where a very large bank is absorbing a very small bank.

Officials believe that another law passed by Congress will improve the standing of many relatively smaller institutions with the Federal Reserve System, and facilitate necessary branching in adjacent communities.

This is the law which waives present minimum capital requirements, by size of community, as a condition to entering the Federal Reserve System.

Another part of the same law also eliminates the minimum requirement of \$500,000 capital (exclusive of other capital funds) as the necessary minimum for a Federal Reserve bank to establish an out-of-town branch.

It will be the policy of the Treasury to require that any national bank seeking to establish an out-of-town branch shall have a capital account equal to that required of a state bank before it can establish an out-of-town branch. Also, the parent bank must have in addition enough capital over home office requirements to capitalize a branch as if it were a separate bank in the out-of-town community.

Effect of this in many states will be to help member banks meet the growing demand for branches to handle business in outlying suburbs. In some states, however, notably Connecticut, state capital requirements for out-of-town branches are more severe than national bank requirements.

Capital Study Idea Is Indefinite Plan

When this subject came up on the floor of the House, it was suggested by Representative Henry O. Talle (R., Ia.) a member of the Banking Committee, that a study should be made of the adequacy of bank capital generally. Chairman Spence seemed to be agreeable to the idea.

This is as far as the House Committee has gone with any determina-

tion to study bank capital. Such a study will be made provided the committee finds it has the time, and feels, after mulling over the subject next winter, it can contribute anything of significance to this subject.

Some members feel that at the heart of the problem of bank capitalization is the question of the incidence of corporation income taxes upon bank earnings. If the Banking Committee should come to this obvious conclusion, it would be powerless to act, for any special tax treatment for banks would have to be sponsored by the taxing committees of Congress.

Strike for New Housing Frontier

Left-wing groups have taken the first step toward launching their vast new program for a far-reaching extension of Government activity into the housing loan field or for all "middle-income" families. They have formally presented their new housing scheme to Congress and the country. It is in the form of a bill introduced just before the close of the session by Representative Jacob K. Javits (R., N. Y.).

This bill seems to offer Government direct loans on subsidized terms with little practical limit.

Ordinarily the introduction of a legislative proposal at the close of a session, after any possibility of its being enacted at that session has passed, is not a subject to excite comment. When it is recalled how persistent the left-wing lobby is, however, never giving up for years, this gives the introduction of a bill some meaning.

"Mr. Kringle, will you assist these far-sighted gentlemen in preparing for a rainy day?"



BURTEEN

There is the history of the public housing program as an example. Public housing was first enacted in 1937. In 1938, however, congressional conservatives developed their first hostility toward this scheme, and all but laid the program in cold storage.

Representative Jesse P. Wolcott (R., Mich.) of the House Banking Committee told the Rules Committee of the House that the practical economics of public housing were that the Federal "annual contributions" to compensate for the "low rent character" of public housing actu-

ally worked out to be a sum equivalent to the service on public housing loans. In theoretical and legal form, these projects, he contended, were carried out in the disguise of loans.

When the Michigan Representative pointed this out, the ire of Congress in 1938 against public housing manifested itself in bitter denunciations of the program from the floor. And funds for expanding the program were killed in 1938. It was almost as though Congress had not realized what it had done in 1937, and had passed public housing in the first instance by mistake.

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Suppose you wanted to sell 10,000 shares of some stock...

Maybe you have to meet certain provisions of a trust—or a particular investment formula...

Maybe you want to strengthen your portfolio—or substitute a more attractive issue...

Maybe you can establish an advantageous loss—or profit by a sale at present prices.

But whatever your reasons for selling, you prefer a minimum of publicity. You don't want to depress the price of your stock. And you would like to complete the transaction as fast and efficiently as possible.

If that's your situation, maybe you—like an increasing number of other individuals and institutions—would like to place privately a large block of securities.

Last year, for instance, we successfully concluded hundreds of such sales involving millions of shares of securities... found we could usually complete the transactions in a matter of hours.

Here are some of the reasons why: Because we belong to every major securities exchange... Because we have a national network of 105 offices... Because we've linked those offices by 65,000 miles of private wire and can quickly canvass literally thousands of contacts from coast-to-coast for evidence of interest in a given security.

If those facilities can ever be useful to you, either in the sale or purchase of large blocks of securities, we'll be happy to consult with you at your convenience—and in confidence—of course. Simply contact William H. Culbertson, Partner, Sales Division.

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12-Year Campaign Brings Success

For almost 12 years after this 1938 defeat, public housing was largely in eclipse. During that dozen years the left-wing groups never gave up a dogged determination to get their program re-enacted, and they never slowed down on a pressure campaign.

Eventually, finding influential conservatives feeling vulnerable in the then forthcoming 1948 national election, they got commitments in favor of their scheme which bore fruit in 1949. Public housing was not only re-enacted in that year, but re-enacted in a more favorable form.

The term of "loans" was cut from 60 to 40 years, with annual contributions from Federal taxpayers boosted accordingly. The essential and exact financial function of the Federal "annual contributions" was explicitly spelled out. Once a public housing project was approved by Federal housing authorities, the Government entered into a solemn contract to make these contributions, the equivalent of debt service, irrevocable for the life of the loan.

In view of the persistence of left-wing groups, the new Javits bill will bear watching.

"Liberal" elements especially desire this bill because public housing, even though 90 percent of the capital cost is in effect Government-donated, is bogging down, as reported

in the July issue of *BANKING*. It is bogging down because municipalities are widely rejecting this scheme. They are rejecting it, 90 percent capital gift and all, because local taxpayers must subsidize the health, educational, fire, police, and other municipal services of public housing clinics. This makes the idea too expensive in the opinion of those municipalities, some two-score of them, who have turned the scheme down.

How Javits Bill Works

Heart of the Javits bill is its provision that the Government would make direct loans for 95 percent of the development or acquisition cost of housing projects. These loans would run for a term of 50 years. Their interest charge would amount to only $\frac{1}{2}$ of 1 percent more than the interest paid on the last previous long-term issue of Governments. Hence if the bill were now law, 50-year loans for only 3 percent would be made.

Primarily these loans would be made to cooperatives. The bill also would theoretically offer these easy loans to non-profit or limited dividend companies. However, the rents would be so closely regulated and held down by the Federal Government that any advantage to private capital undertaking such projects would be virtually nil.

(CONTINUED ON PAGE 110)

As a community service, the First National Bank in Dallas held "TV open house" during the Republican and Democratic National Conventions. Seven sets were installed in the bank's Dallas Room and Employees' Center, and 1,800 people took advantage of the opportunity to watch the proceedings. Cards were provided for recording the balloting



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Just imagine this beautiful cabinet with a large screen, just like a television, in the lobby of your bank showing pictures of the latest news events of the world and at the same time selling your various banking services.

Projector operates continuously showing 16 different pictures, a new picture flashing into view every six seconds.

12 CURRENT NEWS SLIDES

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Every week you receive 12 current news slides and your choice of 4 Kodachrome slides once a month from a selection of 64, selling the various services of your bank such as Auto Loans, Savings Accounts, Home Loans, etc. These are interspaced with the news slides.

Many banks throughout the United States have been using this service for more than two years and find it very satisfactory.

You too, can profit by selling your services with this unique Point-of-Sales visual selling program. Start today.

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(CONTINUED FROM PAGE 108)

Cooperatives, of course, would be both of the "management" type, where the cooperative form was kept throughout, or of the developmental type, where the cooperative form was used only to get individual houses constructed.

This bill also contains a unique attempt to prevent judicial overthrow of the proposed statute. Many statutes provide that if any one part of a law is invalidated, other parts shall not be affected. The Javits bill, on the other hand, would construe any adverse court decision as applicable only to the particular project and circumstances, and not to any other like project.

Beneficiaries of these easy loans would be "middle-income" persons or those persons "whose incomes are below the level where they can afford housing currently made available under the FHA mortgage system or other existing aids to housing undertaken by private enterprise."

In other words, in all probability any but the definitely and provably well-to-do would qualify. This would open wide the door to Government operation, through the medium of cooperatives set up for the purpose, in about 95 percent of the housing construction field, and banks would be reduced to lending to the Government with a restricted return, instead of to individual borrowers on housing mortgages.

"I need references to leave my money with you?"



HAVE YOU SEEN

(1) The new cooperative housing bill, the proposal behind which, it may be presumed, "liberal" elements will unite. It is HR 8431 of the 82nd Congress, 2nd session. Write to your Congressman or Senator or to Rep. Jacob K. Javits, U. S. House of Representatives, Washington, D. C.

(2) FDIC's Annual Report for 1951, with its wide compendium of banking statistics. Write to the Federal Deposit Insurance Corp., Washington 25, D. C.

(3) An explanation of how completely the Administration is devoted to "economic planning," or the managed economy. See the "Mid-year Economic Report of the President," July 1952. Write to the Superintendent of Documents, Government Printing Office, Washington 25, D. C., and enclose 50 cents.

(4) Federal Reserve summary of V-loan activity through June 1950. Write to the Board of Governors, Federal Reserve System, Washington 25, D. C., for its release on this subject.

(5) An analysis of the "Volume and Composition of Individual Savings, Jan.-March 1952," may be obtained from the Securities & Exchange Commission, Washington 25, D. C.; ask for release, "Statistical Series Release No. 1096."

This Javits bill acquires an additional significance in that it follows the objectives outlined in this summer's National Housing Conference, an organization until recently known as the National Public Housing Conference.

FHA Loans for Cooperative Housing

Curiously enough, FHA, under its Section 213, already insures loans for cooperative housing of both the sales and management types. Walter J. Lockwood, assistant FHA commissioner, told BANKING that under this section FHA has issued commitments or insured loans for 86 projects providing 15,151 units of housing accommodation, in the amount of \$138,579,269, as of June 30.

In addition, projects in process would boost the total of FHA insured projects for cooperative housing to 190 for 31,926 housing units costing \$300,615,401.

(END)

BANKING

Field Warehouse-minded bankers make more loans and more profits

PERHAPS you could have said "Yes" to a number of those *not*-granted loan applications. Did you consider supporting them with field warehouse receipts?

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In literally hundreds of cases each year, the security of Lawrence Field Warehouse receipts leads to an extension of credit which would not be granted otherwise.

Bankers also prefer Lawrence experience, Lawrence financial strength and Lawrence legal liability and bond coverage—the best and strongest in the industry.

Next time inventory figures in a loan application, consult with your local Lawrence office.



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QUESTIONS AND ANSWERS—

Should We Pay Interest on Savings Deposits?

MANY commercial banks are facing the question of what they should do about providing customers with savings facilities and frequently write the Savings and Mortgage Division of the American Bankers Association raising problems of general interest. A bank in Texas, for example, recently wrote the Division asking several questions about the installation and operation of a thrift department. These queries and the Division's answers doubtless will be of interest to other banks. Here they are:

Question: Would it be advisable for a small bank, such as ours, to start paying interest on savings accounts (1 percent up to \$5,000) with larger banks in this area unwilling to follow suit?

ANSWER. We believe you should start paying interest on savings accounts

as a means of securing savings deposits. We are the last people in the world to claim that money is not worth anything.

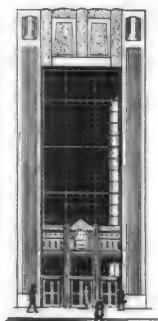
Question: As a rule does it cause a shift of deposits to the savings department upon which we might be enjoying the free use in our checking accounts?

ANSWER. Immediately after you start payment of interest on savings, there will be a sizable shift from your commercial department to your savings department. However, in every case of which we have any knowledge, the loss from the commercial department has been made up within a year, and often within a few months, and from then on the growth of the savings department adds considerably to the total footings of the bank.

Question: Can additional funds so

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looking
forward**

**to seeing
you at the
ABA Convention**



Our close association with many institutions, large and small, makes it possible for us to be of service to your bank in many special ways.

If you or your depositors have interests in Chicago, our experience and facilities, backed up by our philosophy of service, may prove especially helpful to you.

Our officers who will be in attendance are looking forward to seeing you at the 78th Annual American Bankers Association Convention in Atlantic City, September 28 to October 1 . . . and, of course, you are always welcome when visiting in Chicago.

**American National Bank
and Trust Company of Chicago**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

LA SALLE AT WASHINGTON, CHICAGO 90, ILLINOIS



gained be invested profitably so as to not incur an added expense?

ANSWER. We think you could answer this question better yourself, since you are better informed concerning the need of loans. However, it is normally wise to invest from 20 percent to 50 percent of your savings deposits in mortgage loans.

Question: Do we owe this service to our depositors and community?

ANSWER. We definitely feel that banks owe a savings service to depositors and the community. In any community where banks do not have this service there eventually will be a savings and loan or some other organization to take savings, and as they grow in size they tend to encroach on the banking business.

Question: By installing a savings department, are we likely to forestall the organization of another institution that pays interest on time accounts, or if such were established while we were not paying interest would we be likely to be forced to provide savings facilities?

ANSWER. There is a definite prohibition in the law against the establishment of Federal savings and loan associations in communities where there are adequate savings and mortgage facilities by existing financial institutions. We are not familiar with the Texas laws covering state-chartered savings and loans associations, but we are sure the Texas Banking Department would concur in this view. Furthermore, savings and loans are not as likely to be organized in a community where adequate savings facilities are available.

Other savings banking items will be found on pages 85 and 86.

"I found a vacation replacement for you"

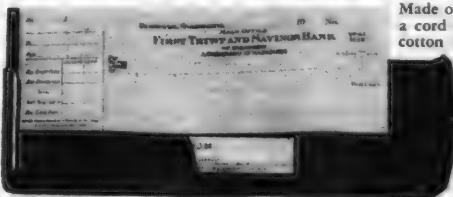


- Ali -

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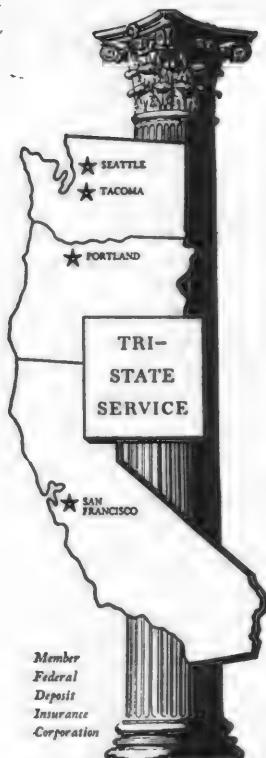
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General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (2), BOGOTA (3), Bucaramanga, Cali, Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Manizales, Medellín (1), Montería, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (3).

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Mutuals Show Gains

THE National Association of Mutual Savings Banks points to the steady growth of the mutuals in the past decade in that 50 of these institutions now report deposits in excess of \$100,000,000. On July 1, 1942, only 19 mutuals were in the size group over \$100,000,000. On that date, too, total deposits of the 100 largest aggregated \$7,282,000,000 as compared with \$15,924,000,000 on July 1, 1952.

Total deposits for all the 529 mutual savings banks were \$21,772,000,000 on July 1, 1952, as compared with \$10,354,000,000 10 years ago.

The 25 largest mutuals are:

No.	Name of Bank	6/30/52 Deposits
1.	The Bowery Savings Bank, New York.....	\$984,089,084
2.	The Philadelphia Saving Fund Society.....	642,931,622
3.	Emigrant Industrial Savings Bank, New York.....	642,112,211
4.	The Dime Savings Bank of Brooklyn.....	575,083,705
5.	The Williamsburgh Savings Bank, Brooklyn.....	501,274,090
6.	Dollar Savings Bank, New York.....	496,327,366
7.	The Lincoln Savings Bank of Brooklyn.....	366,021,778
8.	Dry Dock Savings Bank, New York.....	361,957,741
9.	East River Savings Bank, New York.....	355,459,745
10.	The East New York Savings Bank, Brooklyn.....	351,174,243
11.	The Greenwich Savings Bank, New York.....	335,917,596
12.	Central Savings Bank, New York.....	328,975,934
13.	The Bank for Savings, New York.....	305,807,542
14.	Union Dime Savings Bank, New York.....	273,185,453
15.	The Buffalo Savings Bank, Buffalo, N. Y.....	270,838,446
16.	The Seamen's Bank for Savings, New York.....	259,982,072
17.	Harlem Savings Bank, New York.....	251,543,588
18.	Society for Savings, Cleveland.....	233,326,562
19.	The Manhattan Savings Bank, New York.....	214,406,532
20.	The Boston Five Cents Savings Bank.....	213,519,282
21.	Erie County Savings Bank, Buffalo, N. Y.....	211,659,298
22.	Jamaica Savings Bank, Jamaica, N. Y.....	207,206,233
23.	The Western Saving Fund Society, Philadelphia.....	205,305,090
24.	The Howard Savings Institution, Newark, N. J.....	200,003,998
25.	Washington Mutual Savings Bank, Seattle.....	192,882,515

Getting to first base is your responsibility. After that you may get help.

The little savings banks that couldn't be opened until they were full are now antiques.

Is your protection sufficient?

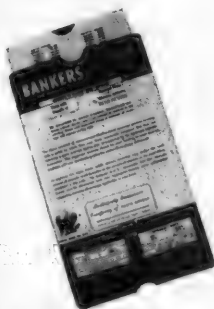


It's a cold fact that embezzlers go for big sums these days. That's why it's a good idea to examine your Bankers' Blanket Bond now to see that your protection is adequate.

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To find the recently revised suggested amount of Bankers' Blanket Bond coverage needed, as recommended by the American Bankers Association, you simply manipulate the card in the slot. The amount slides instantly into view.

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An added feature of this calculator is a device by which you can compute automatically the monthly amortization charge on a large selection of loan amounts at four different interest rates.



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Wage and Salary Stabilization Changes

THE recent amendments to the Defense Production Act contains three provisions of interest to banks:

(1) The exemption of small business enterprises having eight or less employees from wage and salary controls;

(2) The provision which permits wage increases up to \$1 per hour; and

(3) The transfer of supervisors, as defined by the Taft-Hartley law, from the jurisdiction of the Wage Stabilization Board to the Salary Stabilization Board.

General Order No. 17, issued by the Economic Stabilization Administrator on July 29, 1952, listed nine categories of small business enterprises which are excluded from the above exemption for employers of eight or less persons. Two of the excluded categories may include banks to a limited extent:

(1) All enterprises in the Territory of Alaska are excluded, so that any bank in the territory would be denied the exemption.

(2) New plants in which it is planned or reasonably foreseeable that in excess of eight persons will be employed are excluded.

A "new plant" is a plant, enterprise, or other employment unit which, on January 25, 1951, had not commenced the production of the materials or services for which it is established or converted. A few recently organized banks might be denied the exemption under this category.

With these possible exceptions, the exemption applies generally to banks in which a total of eight or less persons are employed in all offices, branches, or affiliates.

Furthermore, Section 5 of General Order No. 17, headed "Fluctuating Work Staff," provides that small business enterprises in which a total of eight or less persons are

employed in all its establishments, branches, units, or affiliates as of July 29, 1952, shall be exempted from wage and salary stabilization until the total employment in such an enterprise exceeds 15 persons.

The American Bankers Association is endeavoring to obtain from the Wage Stabilization Board a ruling clarifying the point "Who Are Employees?" for the purpose of the above exemption. One question of particular concern to many small banks is whether or not inactive officers who receive no compensation or only a nominal annual salary are to be counted.

The Association is also seeking clarification of the provision which permits the payment of hourly wages at a rate of \$1 per hour. At press time no interpretation had been received on whether or not the above provision applies to salaried personnel paid by the week or month. The A.B.A. has also raised the question: "If this provision does apply to salaried personnel, what will be its effect upon the funds available for increases under Wage Stabilization Regulations Nos. 5 and 6?"

As soon as information is received from the Office of Wage Stabilization, the A.B.A.'s Washington Office will forward the rulings to the state association secretaries and BANKING will report to its readers.

The A.B.A.'s Customer and Personnel Relations Department cautions banks that are exempt from wage and salary stabilization controls, because they employ eight or fewer persons, to remember that this exemption does not apply to the Fair Labor Standards Act and the regulations issued by the Wage-Hour Division of the U. S. Department of Labor. All banks must still comply with the minimum wage and overtime provisions of the wage-hour law and regulations.

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The Economic Battle of Britain

HERBERT BRATTER

REVISITING the House of Commons after six years absence we find that august parliament housed in a reconstructed chamber preserving all the outlines of tradition supplemented by a loud speaker system that unobtrusively conducts the passing eloquence into one's ear through small outlets placed in the backs of the visitors-gallery benches. A scene worthy of a Daumier or Goya greets the eye. Seated on the woolsack is the dignified presiding officer, his large white wig and black attire adding visibly to the discomfort of a hot summer night. Before him, alongside a large desk-like structure, stretch on either side the parallel benches of the precariously predominant Conservatives and Her Majesty's loyal opposition. Practically every one of the front benchers has

his feet up on the center desk. Former Prime Minister Attlee indeed, flanked by the former Chancellor of the Exchequer, while busily scribbling some notes is slumped so far down on his spine as to be practically recumbent.

THE subject of the debate is Britain's economic plight, a debate after much anticipatory fanfare launched with an anticlimactic thud by the present chancellor in an atmosphere of inter-party sniping, not to mention the unconcealed hostility of the Attlee and Bevan camps within the Labor Party itself. The talk is of Britain's dollar problem and its balance of international payments, of coal workers and Abadan, of the coming Commonwealth Conference, military commitments and American

aid. A Laborite gets up to advocate an increase in the world price of gold and a Conservative, doubtless thinking of South Africa's rich mines whose shares are quoted prominently in the London papers, tenders his agreement. All of the proceedings have a very familiar ring. Almost one could take the London newspapers we read six years ago, put a new date at the top and have the substance and detail of what we are hearing today: Import cuts and a dollar-export drive; more coal needed; wages, inflation and the cost of subsidized food.

Underlying Britain's unsolved economic problem—and this also applies to other countries like France—is the effort to maintain a certain standard of living and to play in the world of power politics a military role commensurate with past prestige in international affairs. Too many things have changed. With the emergence of the two dominant world powers, the U.S.A. and U.S.S.R., now engaged in a not entirely cold war, the stakes and the chips have become beyond the capacity of the seat of a much-shorn empire to manage, even with the large assistance which has been flowing from Washington under one label or another ever since Lend-Lease days. A large part of the time of European government officials is devoted to discovering new and acceptable formulae for getting more dollars from Washington: mutual aid, Eximbank advances, offshore procurement, gold for the European Payments Union—anything in short that will replenish the local exchequer for another few months. But there is in sight no lasting solution, unless it lie far distant in the gloomy findings published last June by the President's Materials Policy Commission. For only a truly have-not America will buy enough abroad to keep the rest of the world supplied with enough dollars.

AGAINST the actual background of virtual bankruptcy the lively debate in financial London over whether to set sterling free should not suggest to the American reader that the pound has recuperated and that convertibility is near. Far from it. The debate is between the City and Whitehall. The City would like to see sterling—certain sterling, that is,—freely convertible because it sees all

(CONTINUED ON PAGE 120)



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The cash in your bank account is safe enough, but how about those important accounts receivable, the working capital of your business? Your records are open to many hazards—fire, vandalism, theft, water damage, explosion, to mention only a few. Experience shows that once records have been destroyed a high proportion of outstanding bills become uncollectable and thus business failure often results.

Since your accounts receivable are a major factor in establishing and maintaining a desirable credit rating and in the continuation and expansion of your business, it is wise to safeguard them with insurance. National Surety Corporation offers you INVISIBLE ARMOR in the battle for survival—and it's low-priced, too.

See your local agent today.



**NATIONAL SURETY
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4 Albany Street, New York

(CONTINUED FROM PAGE 118)

its merchanting activities hampered by exchange controls which enable Europeans to steal London's trade through cheap sterling. For British exchange control leaks like a sieve. The City would make sterling acquired in current transactions convertible for nonresidents. "It would be," they say, "a shock treatment under which we'd have a chance to recover, although there would be risks of capital flight. Sterling's prestige would recover and sterling would again be a world currency."

BUT Whitehall officials deem Britain too weak to take the plunge. Sterling might fall, rather than rise; food costs might rise; bank rate might have to be raised. Thus the Conservatives. And the Laborites even more cling to the controlled economy. The Conservatives have a vision of a united Commonwealth, a trading area which more than ever will discriminate against the dollar world, and one which through closer relations with Europe will bring into being a third force. This horse may be given a trial run at the Commonwealth Conference in November. At the moment the politicians are winning against the City. It is always easier to say no and do nothing than to do something risky.

Some men can't keep their wives in clothes or in the home either.

One way to take the profit out of war would be to stop the publishing of war memoirs.

It's remarkable how much fun you can get laughing at your own passport picture without realizing that's what you look like.

Maybe bandits would be less anxious to get payrolls if they found it harder to get paroles.

You can't believe everything you hear, but you can repeat it.

One trouble with birth control is that it can't be made retroactive.

You don't do anything to have beautiful hands.

Some time someone will write a book on the concentration of wealth in the hands of plumbers.

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Statement of Condition *June 30, 1952*

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U. S. Government Obligations	321,784,243.80
State, County, and Municipal Bonds	56,179,986.68
Other Bonds and Securities	16,121,556.15
Stock in Federal Reserve Bank	1,211,150.00
Loans and Discounts	506,097,967.38
Bank Premises and Equipment	10,515,444.37
Other Real Estate	1.00
Customers' Liability under Letters of Credit and Acceptances	8,887,973.53
Accrued Interest Receivable and Other Assets	11,685,436.90
Total Resources	\$1,170,073,510.57

LIABILITIES

Deposits	\$1,095,756,879.63
Letters of Credit and Acceptances	9,064,783.99
Reserve for Unearned Discount	5,294,464.68
Reserve for Interest, Taxes, etc.	6,491,174.02
Other Liabilities	2,073,554.33
Capital Stock	
Preferred	\$ 5,581,650.00
Common	12,532,640.00
Surplus	22,257,130.00
Undivided Profits	11,021,233.92
	51,392,653.92
Total Liabilities	\$1,170,073,510.57

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Using commercials prepared by the Harris, Upham advertising agency, Lewins, Williams & Saylor, the program has been so successful in the New York area (on Station WOR since 1948) that sponsorship has been extended to include coverage in six more markets—Kansas City (Station WHB), Omaha (KBON), West Palm Beach, Fla. (WIRK), Denver (KFEL), Charleston, W. Va. (WTIP) and Greenville, S. C. (WAKE)—where it has done a similarly successful job for local Harris, Upham branch offices.

The Fulton Lewis, Jr., program is available for sale to local advertisers on local Mutual Network stations, at low, pro-rated talent cost.

Proof of its effectiveness is found in this fact: it is currently sponsored by 623 advertisers (of which 55 are banks and financial institutions). For copies of material showing the actual results achieved by banks from one end of the country to the other, write to the Cooperative Program Department, Mutual Broadcasting System, 1440 Broadway, New York City 18, N. Y.



New York City

Bank Personnel

(CONTINUED FROM PAGE 45)

Of course no mere recital of the advantages of bank employment will solve our employment problem. The job is very much greater than that. With special reference to college graduates, however, the following comments may be in order:

(1) Today's college graduate pretty much demands a clearly stated, planned program for his training and development. He is not interested in broad generalities. It follows that blind recruiting, based on a vague assumption that college graduates will be needed in some vague, indefinite future—on equally vague, indefinite assignments—can result only in "confusion worse confounded." In the nature of things, the college graduate has a program. That's why he went to college. And he is going to be unhappy in an organization which has no program. Thus an assistant vice-president of one large bank reports "starting in 1951, our bank, along with a number of (other) financial institutions . . . developed a program for advanced training which, in our case, covers a period of three years." The vice-president of another top-flight organization says, "We are making very sure that we give proper attention to college men after they are hired." Many another large banking institution reports the satisfactory installation of formalized training programs ranging over periods from one year to three years. The point to be emphasized—regardless of the length of the program—is the necessity for formalization; for giving the prospective college-graduate employee something he can get his teeth into. "A pig in a poke" just will not suffice.

The College Man's Investment in Himself

(2) The complaint is frequently heard that the college graduate expects more salary than the high school grad, whereas, at the beginning, he is worth no more. Also, the college graduate expects to move ahead faster than the high school graduate.

The implied criticisms are understandable. Nevertheless, the college man is right. After all, he has at least \$8,000 or more invested in himself (four college years at a minimum of \$2,000 per year). And 5 percent on \$8,000 is \$400 a year—\$7.70 a week—just as interest on his investment. Of course he has to move ahead faster; he is four years older.

It follows that the college man must be considered in the light of an investment as well as an addition to the payroll. Unless he can pass that acid test, somewhat similar to that applied to a loan, he ought not to be employed. In this connection, the comment of one midwestern banker is interesting. "(We) now feel that (we) should consider the training of girls for the more technical jobs in credit, trust and other fields." This practice seems to be expanding in the larger banks; and one beneficial result deserves particular notice—it results in the employment of fewer male college graduates, thus giving greater opportunity to those hired.

But what are the smaller banks going to do, those without personnel departments to initiate a college recruitment campaign and training program? The question gives opportunity for this writer to express certain entirely personal convictions with regard to the overall subject of college recruitment and training pro-

grams. In the first place, I wonder if we bankers, whether in large organization or small, ought not to rely to a large extent on members of the official staff and their influence on personal acquaintances? If, for instance, every bank officer—again, whether the bank be large or small—would seriously accept the continuing assignment of cultivating the acquaintance of a few college students in his own home town and of selling them on the banking industry, successful college recruitment could be conducted with little or no direct contact with the campuses. For successful results, however, these "contacts" would have to be cultivated just as assiduously as are prospective "new business" contacts. Here again should be noted the fact that banks do not want just *anybody*—and this is particularly true of the college graduate group. In large measure, we go to the colleges to get the extrovert personality, the one who, on his own, and as a matter of his own innate personal equipment, "makes friends and influences people." Many such youngsters do not use college placement agencies; do not bother to arrange interviews with recruitment officers. They do not need them.

"Please Come to Work for Us!"

In the minds of many of us, there is real doubt as to the soundness of *direct* college recruiting, anyway. The plea, "Please come and work for us!" delivered by strangers to strangers, starts things off with the wrong psychological conditioning. During World War II, the banks with the lowest turnover were those which remained calm about the employment situation. Panic breeds panic, and public demonstration of management concern about the number of current vacancies, merely adds psychological fuel to the very flame which management is trying to extinguish.

Finally, this writer is entirely convinced that we American bankers can do—indeed soon *must* do—more with our high school graduates than we are now doing. After all, many high school boys and girls who are not privileged to pursue full-time college education, are just as capable, just as ambitious, as their more fortunate brethren. And with proper handling many of them will go just as far. But the words "with proper handling" cover a great deal of territory.

One of the cardinal principles of true education is the matter of "motivation;" meaning that, before one can teach, one must somehow gain the interest of the prospective learner. And of course that interest *must* be maintained throughout the entire project. It is mighty difficult—impossible, really—to work all day earning a living, then at night earning promotion, only to discover that no one knows or seems to care!

Right or wrong, it is this writer's firm conviction that bank management now has at its disposal all of the elements necessary to meet the problems caused by the shortage of recent college graduates. With rare exceptions we have access to adequate educational facilities; we have only to supply the motivation—that demonstration of sincere interest and encouragement—which translates halfhearted wishfulness into wholehearted interest and effort. In short, I wonder if well-planned and seriously implemented training programs for *high-school* graduates might not go a long, long way to meet the problems caused by a shortage of college graduates?

(END)



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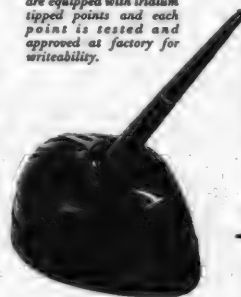
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The complete setting shown—pen set, memo pad, letter tray, ash tray, and phone rest, retail for less than you would expect to pay for one fountain pen set.

THERE IS NO SUBSTITUTE FOR QUALITY.

All Morris writing sets are equipped with iridium tipped points and each point is tested and approved as factory for writeability.

5 POINTS FOR Write-ability



Morris Fountain Pen Set with Northrop Aviation, Inc., Insignia

Available in — Grey — Bronze — Walnut — Mahogany and Green

MORRIS FOUNTAIN PEN SET—A desk fountain pen with beauty of design and real writing utility. Concealed "push button" filler and thread-in point section. For long life and smooth writing all sets are supplied with iridium-tipped points. A real time and money saver in any office.

Desk Top Package Deals \$100 and \$200

Inquire about the surprisingly low cost of matching your desk with these items.



LETTER TRAY—strong two point suspension allows access from entire front and both sides. Tiers quickly added. Legal or letter size.



BOOK ENDS—at last—inexpensive book ends to match modern office furniture.



MEMO PADS—available in two types. With jeweler's bronze bar that drops as paper is used, or standard ink sheet.



MORRISSEY—The constant flowing, finest all-round writing implement. Holds a full 2 1/2 ounces of ink. Choice of 5 quickly replaceable "thread-in" points—extra fine, fine, medium, broad, stub.



ASH TRAY—A real He-Man ash tray. Glass lined, perfect for any desk or conference table.

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so many requests
for the booklet
that we have only a few left.
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(PART OF A LETTER FROM
A LARGE EASTERN TRUST COMPANY)

THIS trust company first used Purse service in 1915. Since then, we have prepared much of its trust advertising. We have served another trust company year after year since 1912. Many others began using our service in the 1920's.

Write today, without obligation, for details of how we can make the dollars you invest in trust advertising buy more business for your trust department.



THE PURSE COMPANY

Headquarters for Trust Advertising

CHATTANOOGA 2, TENNESSEE

CHICAGO

NEW YORK

Farm Credit

(CONTINUED FROM PAGE 56)

the existing rate structure and procedures for handling CCC loans to farmers it is possible that a considerable portion of such CCC loans as are made by banks will be tendered to the CCC for purchase.

Farmers will undoubtedly undertake to maintain a high level of farm production in 1953. Such a program will again call for a relatively high use of seasonal production credit. Some items of cost or investment, such as feeder cattle, may be reduced from the level of 1951-52. In general, however, expenditures for labor, fertilizer, and fuel for power equipment, will continue at a high level. Expenditures for new equipment may be reduced in some areas because of the large purchases which have been made since the end of World War II. However, the modernization of farms is a continuous process. Also much new equipment of a labor saving character is being developed year by year. Hence farm expenditures and investments of this character will continue to be large and to play a constructive role in our dynamic and changing agricultural enterprises.

Farm Price Fever Subsiding

The farm price inflation fever of the first year of the Korean hostilities has largely subsided. The production accomplishments of farmers have been a major factor in the achievement of this desired objective. Price incentives for full production efforts by farmers are relatively favorable. Under the circumstances it is reasonable to expect that the demand for credit by farmers will continue relatively strong during the remainder of 1952 and for 1953.

There are evidences of a slowing down in the upward swing of farm land prices which has characterized most of the war- and postwar-period. Perhaps more attention is being focused upon the effect of continued increases in operating costs and taxes on net farm income. In any event, the increase in farm real estate debt, while substantial, is not great in relation to the over-all improvement in the financial position of farmers. A continuation of conservative institutional lending policies both as to appraisals and amounts loaned is warranted.

The credit problems of farmers and farm lenders have been relatively limited now for more than a decade. Prudent behavior on the part of both farmer borrowers and lenders has been an important factor in this situation. Farmers have made great strides in farm and home modernization, in increased operating efficiency, in productivity, in soil improvement, and in building substantial liquid financial reserves. There is certainly every reason to expect that the bona fide credit needs of farmers in 1953 can be met in the same prudent manner. As in past years, the commercial banks will cooperate with their farmer customers in providing the credit essential to sound and productive farming operations.

*War doesn't pay, but to judge from our taxes
it certainly collects.*

Add "PERSONALITY" to your bank with **STANLEY** **MAGIC DOORS**

From coast to coast the same report—banks find Stanley Magic Doors add personality that pays daily dividends in customer satisfaction and service.

Installed at busy entrances, Stanley Magic Doors create a favorable first impression—distinguish an entrance as nothing else will. And with Magic Doors traffic flows smoothly—rush-hour congestion is eliminated; heating and air-conditioning costs are lowered.

Actuated by either the "Magic Eye" (photoelectric) or "Magic Carpet", Stanley Magic Doors open automatically on approach, stay open until all traffic has safely passed, then close quickly, silently.

In most instances your present doors can be operated by Stanley Magic Door Controls. Write for full information on Stanley Magic Door Controls . . . find out how easily and inexpensively they fit the plans for either new or remodeled buildings . . . how their simple design, rugged construction assure long, trouble-free operation. Mail this coupon.

**SEE STANLEY MAGIC DOORS
IN OPERATION . . . Booths 3 and 4
A.B.A. CONVENTION**



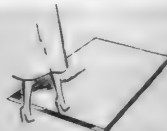
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DOOR CONTROLS
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HARDWARE • TOOLS • ELECTRIC TOOLS • STEEL STRAPPING • STEEL



Magic Eye (photoelectric) controls utilize a beam of light which, when interrupted by a moving object, automatically sets the door-opening mechanism in operation.



Magic Carpet looks like an ordinary rubber carpet. Contains a low voltage contact unit which is actuated by a person's weight, automatically setting the door operator in motion.



Multiple door "Magic Carpet" Installation at the First Merchants National Bank and Trust Co., Lafayette, Indiana.

**COMPLETELY AUTOMATIC DOOR CONTROLS FOR
SWINGING, SLIDING OR FOLDING DOORS**

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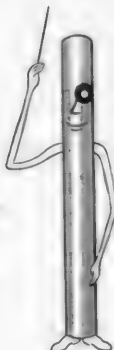
- ☐ Kindly send me full information on Stanley Magic Doors
☐ Please have your representative call.

Your name

Firm's name

Street

City..... State



News for Country Bankers

(CONTINUED FROM PAGE 66)

methods, increased farm income, and bolstered the farm economy is told in the July issue of *The WACHOVIA*, house magazine of Wachovia Bank and Trust Company, Winston-Salem.

The article traces outstanding achievements which are typical of the state's broad and progressive

research program centered at North Carolina State College at Raleigh.

"Within the past five years," says *WACHOVIA*, "North Carolina has more than tripled the amount of money it spends annually for agricultural research. The 1951 Legislature appropriated around \$1,000,000 to carry on the work of the Experiment Station during each year of the next biennium; over \$100,000 will be received annually from the special 'Nickels for Know-How Program,' and extensive aid will come from Federal funds and private in-

dustry. Backed by these financial resources, the men and women of the North Carolina State College research program are pooling their energies and talents to solve some of the South's most pressing farm problems and further develop North Carolina's economic resources through broad and intensive agricultural research."

1952 Changes in CCC

CHANGES in the Commodity Credit Corporation's 1952 lending procedures were outlined recently in a letter to all banks by G. F. Geissler, president of the CCC's Production and Marketing administration. His letter reads in part:

"Beginning with the price-support loans on the 1952 crops, there have been certain changes in the manner in which the programs will be operated. These changes were made after several years of study of the programs during which time we also consulted with representatives of the banks. . . .

"... The interest rate on price-support loans has been increased from 3 percent to 3½ percent per annum and all of this increase is being passed on to the banks, whose share in the interest will now be 2 percent instead of 1½ percent per annum as formerly. In addition, loan servicing fees to be paid banks for services performed on Corporation-owned loans which are held in their custody, beginning with loans on the

(CONTINUED ON PAGE 128)

NEW...A PAYMENT COUPON BOOK

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Perforations as Legible as Printing

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5/16" figures so outstanding that they are easily read at 14 feet.



Many of the best known Banking Names in the Time Credit Field have adopted this ultra-modern Payment Book on sight.

Only by seeing this new book can you appreciate its legibility, flexibility and waste-reducing features. We invite you to write for an assortment of samples, perforated with amounts, dates and account classifications. No cost. No obligation. Write today.

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ARE YOU LOOKING TOWARDS PERU...?

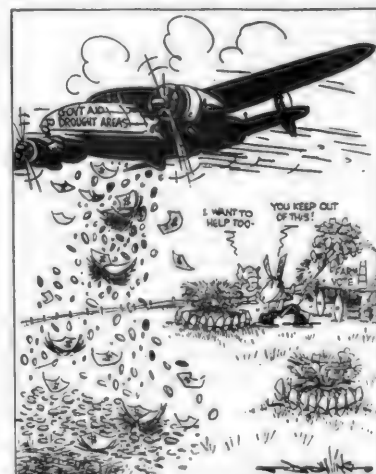
The promotion of Peruvian foreign trade has been one of the main objects of our bank ever since its foundation over 60 years ago. If you are interested in doing business in Peru a letter addressed to us will assure you our friendly co-operation.

BANCO DE CREDITO DEL PERU

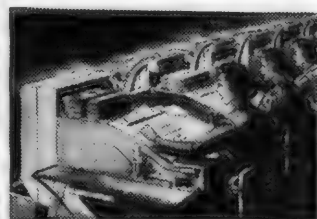
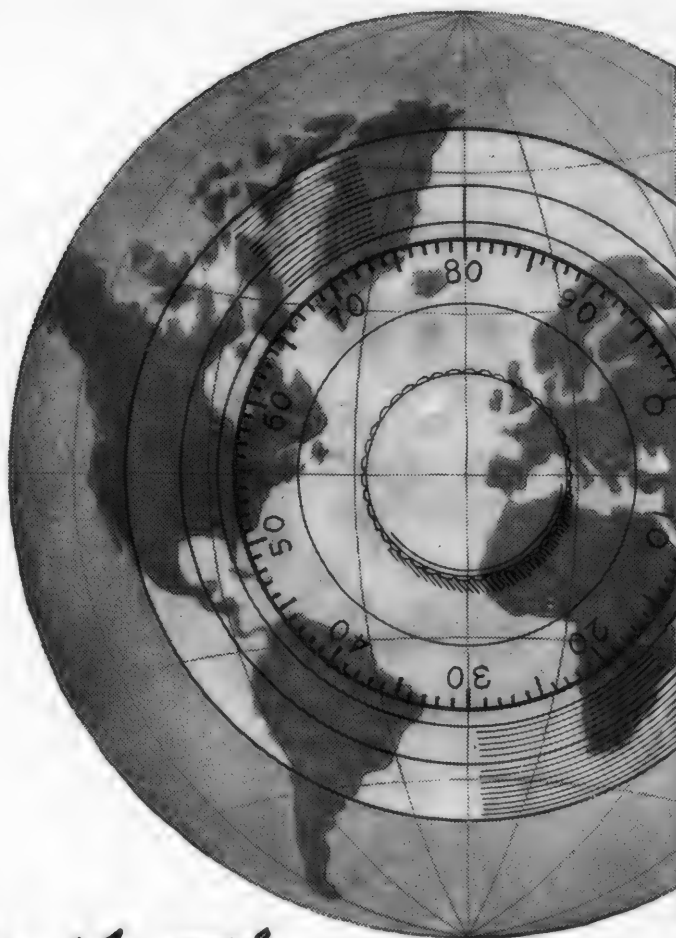
Head Office - - LIMA

68 Offices Throughout the Country
CAPITAL - S/. 60,000,000.00 SURPLUS - S/. 52,224,088.38
"Peru's Oldest National Commercial Bank"

"What Will the Harvest Be?"



COURTESY THE NEW YORK HERALD TRIBUNE



Combination - for Fast Collection of Cash Items

At frequent intervals throughout the day and night Chase trucks rush remittance letters from post offices and express terminals to the Bank...

Checks are sorted immediately into groups. Those on New York are sent by messenger to the Clearing House for the 2, 8 and 9 a.m. clearings. Checks received up to 9:15 a.m. are included in the final clearings for the day at 10 a.m.

Out-of-town items get special treatment, including microfilming for the protection of our correspondents... Checks go from Chase "the fastest way"—and that includes extensive use of air transport wherever practical.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation



Canada has business opportunities for your customers

WHETHER your clients are interested in mining, oil, gas, manufacture or trade, Canada's booming economy offers them unlimited business opportunities.

For over 120 years The Bank of Nova Scotia has been a partner in Canada's growth. A wealth of experience and a complete banking service is at the disposal of your clients through over 380 BNS branches in Canada and abroad. The address of our New York Office is: 49 Wall St.

If you or your customers have interests in Canada, contact The Bank of Nova Scotia in New York, or write to our General Offices in Toronto. Your enquiries will be answered promptly and efficiently.



NEW YORK OFFICE:
49 Wall Street

GENERAL OFFICES:
44 King St. W., Toronto

LONDON OFFICE:
108 Broad St. E.C. 2

(CONTINUED FROM PAGE 126)

1952 crop, will be approximately double fees paid on earlier crops.

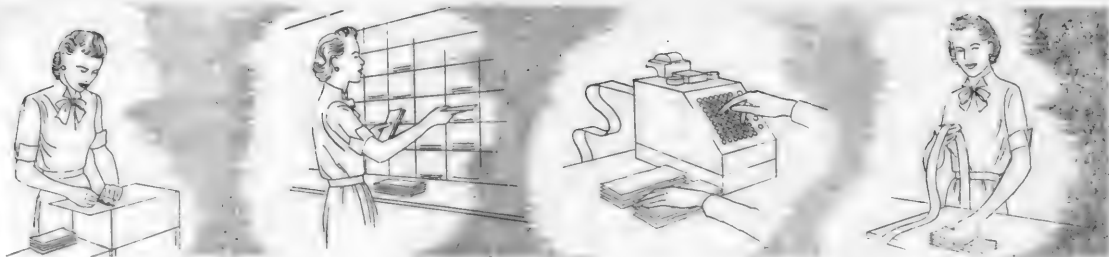
"In order that the price-support loan programs be of greatest service to the producers and to eliminate the time lag which was formerly encountered when a producer wanted to repay his loan, the lending agency agreement provides that each bank hold the notes and related loan documents at the place of original disbursement even though the bank may sell its interest in such paper to another bank. To enable the banks to retain insofar as possible their normal relationship with their correspondent banks, provision is being made in the agreement for the purchasing bank to obtain reimbursement on the loans it purchased from another bank at any time by application to Commodity Credit Corporation. The provision requiring the bank which disburses the loan to hold the notes and related documents was discussed with the three Federal bank regulatory agencies, i. e., the Office of the Comptroller of the Currency, the Federal Reserve Board, and the Federal Deposit Insurance Corporation, and they informally agreed that this provision would not violate their regulations.

Agency Agreements

"We recently instructed our county offices that it is the policy and objective of the Corporation to handle the maximum volume of our price-support loans through lending agencies. In furtherance of this policy, the chairman of each PMA county committee in the United States has been authorized to execute, on behalf of CCC, lending agency agreements with the banks located in his county. Supplies of agreement forms for loans to producers on certain commodities such as grain, seeds, dry beans, dry peas, soybeans, and flaxseed have already been furnished to the county committees. Forms for lending agency agreements on cotton are being prepared and will be available shortly. Should you have any questions concerning the details of these price-support loan program operations, the PMA county committee offices are equipped to furnish information.

"If a price support program is in operation in your community, it is hoped that your bank will sign a CCC lending agency agreement . . ."

(CONTINUED ON PAGE 130)



Save Thousands of Needless Motions— Every Day—with IBM Proof Machines



IBM Proof Machines eliminate countless steps and most of the hand and arm motions necessary with ordinary methods of check proving. All four operations—*sorting, listing, proving* and *endorsing*—are performed simultaneously on the IBM Proof Machine.

Sorting, ordinarily one of the most tiring bank operations, is accomplished by one motion—the insertion of the check in a receiver directly behind the check tray.

Checks are endorsed as they are distributed, and the amounts, recorded on the ten-key adding keyboard, are printed on a control tape as well as on individual adding tapes corresponding to each distribution.

All needless operator effort is eliminated, with a corresponding increase in speed and efficiency. There are models available to meet the varying needs of large and small banks.



Proof Machines

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NATIONAL
BANK
of Seattle

SECOND at MARION

For prompt, efficient handling of all your Northwest and Alaska transactions, call on Pacific National.

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AUSTRALIA AND NEW ZEALAND
BANK LIMITED
offers complete
AUSTRALIA and
NEW ZEALAND
coverage



Following the merger of Bank of Australasia and The Union Bank of Australia Limited there are now over 700 branches and agencies of Australia and New Zealand Bank Limited throughout Australia and New Zealand, in Fiji, and in London, equipped to offer overseas agents every banking facility, and specialising in the supply of economic and commercial information.

Total Assets exceed £A400,000,000

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Head Office: 71 CORNHILL, LONDON E.C.3

Over 700 Branches and Agencies to serve you

News for Country Bankers

(CONTINUED FROM PAGE 128)

Fertilizer Loan Data Coming

A PROGRAM designed to furnish bankers, particularly country bankers, with information that will be helpful in considering farm production loans involving fertilizer has been launched by the National Fertilizer Association, Washington.*

Russell Coleman, NFA president, states that "on the basis of present production costs, by 1955 farmers will need about \$700,000,000 more working capital for fertilizers alone than they used in 1950. . . . When a farmer properly applies \$100 worth of fertilizer, he usually obtains his \$100 back plus from \$100 to \$500 more from increased crop yields. The farmer can, by using fertilizers to increase his yields, cut his unit cost of production. This means that he can put himself in position to continue to operate profitably even if agricultural prices decline."

In the late fall, NFA will give bankers information of what fertilizer usage means in terms of dollars and cents.

*616 Investment Building

Bank Ag Men Hold Meeting

THE first annual meeting of the Association of Bank Agricultural Representatives held in Waynesville, North Carolina, on August 4-5, drew close to a 100 percent attendance. This group, formed a few months ago, is composed of outside representatives of banks in the Fifth Federal Reserve District.

In a summary of the discussions, James Bishop, Jr., ABAR presi-

(CONTINUED ON PAGE 132)

1952-53 officers of the Association of Bank Representatives, *front row, left to right, Messrs. Upshaw, Bishop, and Fishburne. Back row, Messrs. Pates, Porter, Baker, and LeCroy*





24 hours

is a **LONG WORKING DAY**

There have been occasions, in emergencies, when men or women have worked around the clock for perhaps a few days. But did it ever occur to you that most soundly managed business concerns do have a force regularly working for them 24 hours every day?

That force is Insurance Protection! It works silently and unnoticed, generally in a safe deposit box or office safe—but from the effective date of the policy it never for a moment ceases to work for the insured until its term expires.

Considered in this way, Insurance is probably the most indispensable worker an insured can have. Figured on a 24 hour day basis, its hourly cost is astonishingly low.

Doesn't this make it clear that every individual and business concern should have adequate protection against the risk of financial loss due to the hazards of their situation and operations?

The Commercial Union-Ocean Group of Fire and Casualty Companies, one of the leading insurance organizations in the world, writes practically every kind of insurance except Life. Its resources are unquestioned and its reputation for just and prompt loss settlements is second to none.

COMMERCIAL UNION-OCEAN GROUP

ORGANIZED

Commercial Union Assurance Company Ltd.	1861
The Ocean Accident and Guarantee Corporation, Ltd.	1871
American Central Insurance Company	1853
Columbia Casualty Company	1920
The California Insurance Company	1864
Union Assurance Society Ltd.	1714
The Palatine Insurance Company Ltd.	1886
The British General Insurance Company Ltd.	1904
The Commercial Union Fire Insurance Company	1890

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Beauty that attracts without sacrificing character . . . comfort that welcomes informally without sacrificing confidence; both are reflected in these Sikes wood-for-durability chairs shown in the new offices of a prominent financial institution in San Diego, Calif., (name on request). This exclusive SIKES business chair installation was made by the Austin Safe and Desk Company of San Diego. Write us in regard to your office and reception room furnishing problems!

SIKES business chairs

THE SIKES COMPANY, INC., 24 CHURCHILL ST., BUFFALO 7, N. Y.



News for Country Bankers

(CONTINUED FROM PAGE 130)

dent and assistant vice-president, Bank of Greensboro, North Carolina, included these conclusions:

"A simple form of application for agricultural loans should be used. . . . Charges to farmers for credit should be fair, reasonable, and competitive with rates enjoyed by industry and professions. . . . Collateral requirements should be reasonable. . . . Flexibility (to provide for unforeseen contingencies) must be allowed when notes come due. . . . Maturities of loans should be made to fit operations of the individual farmer. . . . Farm lending is a full-time, specialized job, and can't be done properly or satisfactorily by a bank officer sitting in his office. . . . Bankers must be interested and participate in affairs of farmers and farm organizations. . . ."

Officers for the coming year, in addition to Mr. Bishop, are: R. L. Upshaw, vice-president, Campbell County Bank, Rustburg, Virginia, vice-president, and S. P. Fishburne, agricultural representative, Federal Reserve Bank of Richmond, secretary-treasurer. Advisory committee: N. S. Baker, assistant cashier, The Citizens National Bank, Frederick, Maryland; J. S. Pates, assistant cashier, Farmers and Merchants State Bank, Fredericksburg, Virginia; T. H. LeCroy, farm relations officer, Peoples Bank and Trust Co., Rocky Mount, North Carolina; and H. G. Porter, agricultural economist, Federal Reserve Bank, Richmond.

New England Council

STATE bankers associations in New England are working with the New England Council to give special attention to rural youth at the council's annual meeting to be held in Boston on November 20-21.

Twelve outstanding 4-H Club members—two from each New England state—are being invited to attend the meeting.

The young guests will be featured on radio programs of several Boston stations and in the food and agriculture session of council meeting.

The six state bankers associations and several New England business firms with an interest in rural welfare have contributed to the project.

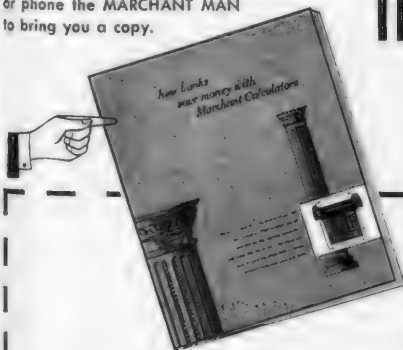
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Bank Women's Convention

THE Association of Bank Women holds its 30th annual convention at Atlantic City, New Jersey, September 25-28. Sessions will be at the Hotel Dennis.

The program, announced by President Nancye B. Staub, assistant secretary and assistant trust officer, Morristown (New Jersey) Trust Company, includes three forums, luncheon meetings, business ses-

sions, and a banquet. The association's membership comprises 1,450 women holding executive positions in American banks and trust companies. It was organized in 1921.

Here is an outline of the convention program:

September 25

Business session. Address of welcome, Mrs. Sara Baylis Johnson, general convention chairman, director of public relations, Bank of Rockville Centre (New York) Trust Company.

Luncheon meeting, with an explanation by professionals of television techniques.

Dinner meeting speaker, Dr. Virginia Harrington, executive officer, Department of History, Barnard College, "Democracy, Freedom, and Faith."

September 26

Trust forum—Miss Elsie Parker, trust officer and secretary, Southern Trust Company, Clarksville, Tennessee, moderator; "How a Trust Department Serves the Community," Miss Grace C. Curtis, trust officer, New England Trust Company, Boston; "Estate Taxes," Mrs. Elizabeth Van Sciver, assistant trust officer, The First National Bank of Princeton, New Jersey; "Human Relations Side of Trusts," Miss Faye M. Harrop, assistant trust officer,

Mrs. Nancye Staub of Morristown, N. J., 1951-52 president of the Association of Bank Women



Thé First Trust and Savings Bank, Zanesville, Ohio.

Consumer credit panel. Mrs. Manuella C. Taylor, vice-president, Pascagoula-Moss Point Bank, Pascagoula, Mississippi, moderator. "Under Regulation W and After," Mrs. Nell C. Saylor, assistant trust officer, Burke and Herbert Bank and Trust Company, Alexandria, Virginia; "Charge Account Plan," Mrs. Irma S. Robins, assistant to director of public relations, The Franklin National Bank, Franklin Square, New York; "Human Factor in Consumer Credit," Miss Florence C. Campbell, assistant vice-president, The Bank of Commerce, Milwaukee, Wisconsin.

Luncheon meeting. A. George Gillman, president, The Malden (Massachusetts) Savings Bank, "A Mutual Savings Bank — The New Tax Payer."

September 27

Forum, "Building Personality for Your Bank Through Employee-Customer Relations," Miss Catherine S. Pepper, new business development, The National City Bank of New York, moderator. "The Personality of Personnel," Miss Marian J. Welch, assistant secretary, Equitable Trust Company, Wilmington, Delaware; Miss Jennie R. Williams, assistant personnel manager, The Empire National Bank & Trust Company, St. Paul; "Business Development Programs," Mrs. Ruth E. Sherrill, assistant vice-president, First National Bank of Memphis.

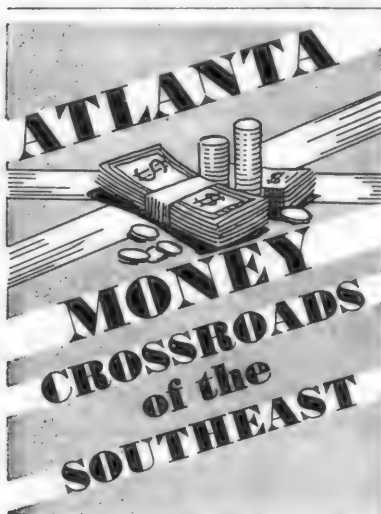
Luncheon meeting and introduction of Jean Arnot Reid Award winner. Mrs. Staub will present the award to the girl graduate of the American Institute of Banking with the highest scholastic record for the year. Luncheon guests will include exchange students from Europe, Asia, and South America.

Banquet. Speaker Claud L. Benner, president, Continental American Insurance Company, Wilmington, Delaware, "Inflation as a Way of Life."

September 28

Installation of new officers.
Adjournment of convention.

(END)



Atlanta, the headquarters of the 6th Federal Reserve District, is one of the 12 key cities in America for the transfer of money and credit.

Being at the "money crossroads of the Southeast" The Fulton National Bank offers direct clearing facilities with over 1100 banks in eight Southeastern States.

Call on "The Friendly Fulton" to help serve your accounts with branches in the Southeast. You'll find our correspondent service fast, accurate and dependable.

9 Offices in Atlanta and Decatur





"Oliver Engineering Is Our Profit-Producer"

Says Mr. Les Morse of the Oswego (Illinois) Implement Company

"Oliver is high-balling business our way with its advanced line of *farm-engineered* equipment," reports Mr. Morse.

"In this prairie community of fine farms, the demand is for *modern* machines to keep pace with progressive agricultural practices.

"That's why the Oliver '77's' and '88's', for example, are so popular. They're designed for *present-day* methods. They have the features farmers want—six forward speeds, Direct Drive Power Take-Off, 6-cylinder overhead valve engine in gasoline or diesel type, a really comfortable rubber spring seat and an efficient hydraulic control system.

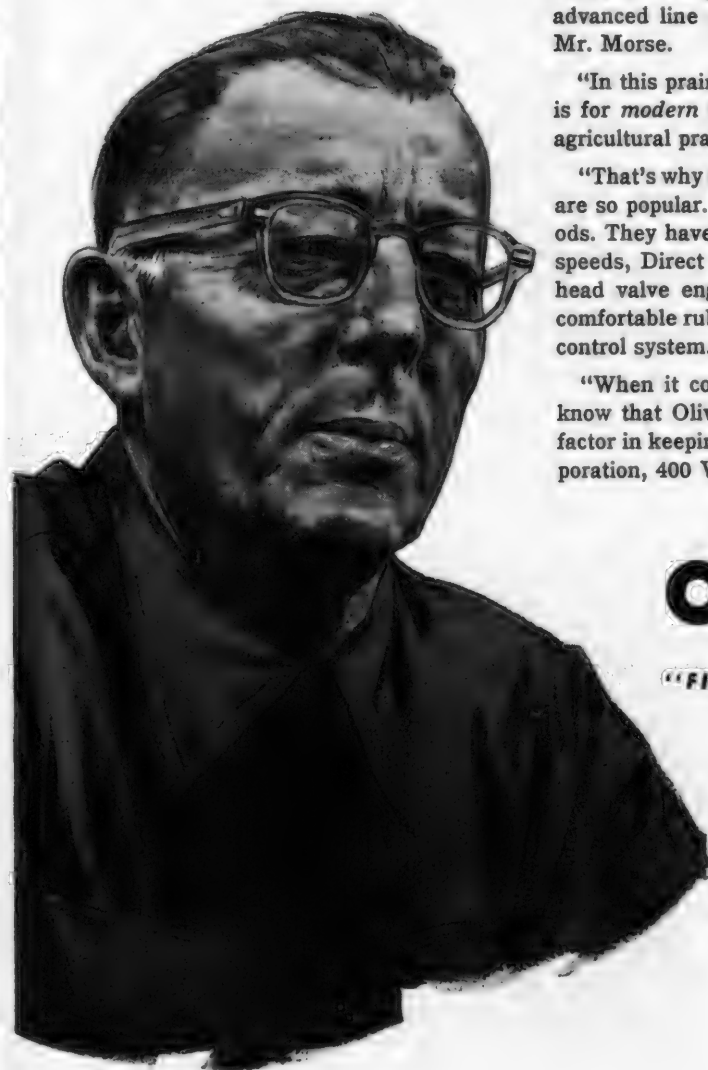
"When it comes to advancements in equipment, we know that Oliver will be right in front. That's one big factor in keeping our business good." The OLIVER Corporation, 400 West Madison Street, Chicago 6, Illinois.

OLIVER



"FINEST IN FARM MACHINERY"

**"Grow with OLIVER—
the BUSINESS Builder"**



RESIDENCE ELEVATOR
automatic, electric
Thousands in use

Improve property —
Go Sedgwick!

STAIR-TRAVELOR
—electric, compact,
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Sedgwick gives modern, one-floor convenience to multi-floor residential property—adding greatly to value and salability. Sedgwick equipment is quickly and easily installed. Safe, dependable and inexpensively operated on house current. Recommended by many physicians and users. Nationwide representation.

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Banks and Bankers

Wenzel New Bank Commissioner

CHARLES M. WENZEL of St. Paul succeeded ARTHUR W. HOESE on August 1 as BANKING COMMISSIONER for Minnesota. Mr. HOESE resigned to devote his full time to banking. He is president of the Security State Bank, Glencoe, and also president of the First State Bank, New Germany.

Mr. WENZEL started his banking career with the National Bank of Wheaton, Minn., and in 1921 became affiliated with First National Bank of Hope, North Dakota. For 27 years he has been in state government service. He has held the post of deputy commissioner of banks since July 19, 1939, except for an eight-month period in 1949 when he served as acting commissioner.

He is a native of New Richland, Wis., and is a graduate of Macalester College, St. Paul.

UNION DIME SAVINGS BANK, New York, has a new display sign which is designated officially as "semi-spectacular." The sign is a 50-foot arrow, featuring a thrift theme, pointing in the direction of the bank from a block away. It is estimated that it will be seen by approximately 400,000 people a day.

Completion of a coaxial cable bringing network television to Houston was the subject of a lobby display in the HOUSTON NATIONAL BANK. The exhibit included an actual section of cable, a map showing the routes of all coaxial cables and radio relays in service in the country's TV network, and pictures of the plowing in of the new cable.

An agency of International Banking Corporation, affiliate of The National City Bank of New York, has been opened at New York's Idle-

(CONTINUED ON PAGE 138)

JUNIOR ACHIEVERS IN PITTSBURGH

Here's another Junior Achievement bank at work. It's the Junior Peoples First, sponsored by Peoples First National Bank & Trust Co., Pittsburgh. There are 32 JA companies in that city, and they do their banking with the JPF. The bank's space is small—about 8' x 12'—but the equipment, provided by Peoples First National, is modern. The picture shows the miniature institution at work: *Standing l. to r.*, Adviser Ralph Strain, President William Bott, Chief Adviser Karl Sparr, General Bookkeeper Joan Zentek, and Adviser Harry Marks. Seated at the machine is David Densmore. Outside the counter, awaiting his company's statement, is William Densmore.



"...Yes, Art, we buy and sell our Government bonds through Bankers Trust in New York. Because they're a primary dealer all prices are net. And their over-all advice on our account has been very helpful..."



When you buy Governments from Bankers Trust—you deal direct

As a primary dealer in U. S. Government bonds, notes, certificates, and discount bills, we maintain *an inventory* of these securities in our Trading Department.

This means that your orders placed with us are executed without delay—no red tape or outside telephone calls. Immediate confirmation of orders can mean an important saving for your bank.

Moreover, this service is rendered to our customers at the lowest possible cost—all prices are net.

We are glad to work with you on your bond account, advise you on the arrangement of maturities, and suggest switches from one issue to another as market movements provide favorable opportunities.

In addition, our Bond Department is a leading dealer in State and Municipal issues. We are prepared to answer your questions regarding

this segment of your portfolio.

For full information on how this service can benefit your bank, write Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y. Telephone REctor 2-8900 when we can be of assistance. Our teletype numbers are NY 1-3333 for Governments and NY 1-850 for State and Municipals.

BOND DEPARTMENT
BANKERS TRUST COMPANY
NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



(CONTINUED FROM PAGE 136)
wild Airport. It will provide facilities for purchase and sale of foreign currencies, foreign drafts, travelers' checks and letters of credit. ARTHUR W. JOHNSON is agent. National City also has a general banking branch at the airport.

Central bookkeeping operations for four offices of the CITIZENS & SOUTHERN NATIONAL BANK OF SOUTH CAROLINA in Charleston have been installed in a separate building which formerly housed one of the South's oldest newspapers. The contractors who remodeled the building were amazed at some of the original timbers. One beam, of heart of pine, was 45 feet long. The bank says its "growing pains have been alleviated for some time to come" by the use

of a separate building for the central bookkeeping department.

THE FIRST NATIONAL BANK of Leesburg, Florida, advertisement of its new drive-in windows, had this to say in part: "You ladies won't feel you have to dress up all citified to come to town—you can leave your dusting or your gardening, jump into your car and 'come just as you are' to this outside banking place, park and bank and drive home again without even cutting off your engine. . . . Talk about convenience!"

The Calogram, house organ of THE BANK OF CALIFORNIA, N.A., in Portland, Oregon, notes that "among the services rendered by our snorkel teller have been the accepting of deposits, cashing of checks, miscel-

laneous change transactions, and several Cook's Tours to the inquisitive public."

CYPRIAN J. BRIDGE and F. NORLAND have been named joint managers of the London office of Bankers Trust Company, New York, succeeding the late ROLAND H. OXLEY, vice-president and manager of the London Office since 1943.

LOUIS C. BARBONI, manager of installment loans at Central Valley Bank of California, Richmond, has been named an assistant vice-president.

HARRY R. GOSLING, vice-president and cashier of the Oneida National Bank & Trust Company, Utica, New York, was tendered a dinner in celebration of his 50th anniversary with the bank. About 75 people attended and MR. GOSLING was the subject of several stories in the local papers.

J. A. RANDALL has been appointed vice-president and manager of the Portland branch of the Federal Reserve Bank of San Francisco, effective September 1. He succeeds S. A. MACEACHRON, retired as of August 31. A. B. MERRITT is assistant manager.

RUTH C. LEIGH, vault custodian at The Central National Bank of Richmond, Virginia, was honored by her associates on her 25th anniversary

The Second National Bank of Washington, D. C., celebrated its 80th birthday by giving \$80 savings accounts to the 80th person to enter each of its two offices. In the picture, President John A. Reilly is handing the passbooks to winners L. P. Allen and Morris Mishinsky



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These benefits, plus the right model imprinter for your volume, and optional name-tube library (instead of throwing away or redistributing type), are yours when you install *Thrifty Check* Service. Operating supplies, quality advertising, imprinting equipment, complete installation, and exclusive *Thrifty Check* franchise in your community are available with no investment by the bank.

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Most dramatic display for lobby, entrance or outdoor trim. Delights young and old alike. Brilliantly lacquered hard molded rubber compound. Natural fawn colored. Complete team of 9 deer and sled...\$449.50

With half-Santa for sled.....\$499.50 F. O. B. Milw.
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Specify: ground stands or air harness.

Team length:
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Are you curious about Arizona—business-wise, water-wise, vacation-wise, just generally? We'll take pleasure in answering your questions.

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FIRST NATIONAL BANK OF ARIZONA

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V. J. ALEXANDER

Chairman, Supplemental Pension Fund, American Bankers Association; Chairman, Union Planters National Bank, Memphis, Tennessee
(Other A.B.A. official family pictures on pages 170-173.)

with the bank. MRS. LEIGH received a monogrammed silver platter in a simple ceremony attended by the officers of the bank.

VINTON COUNTY NATIONAL BANK, McArthur, Ohio, is expanding and remodeling its building to triple its work space.

Merger Proposals

Directors of THE MANSFIELD SAVINGS TRUST NATIONAL BANK and of the CITIZENS NATIONAL BANK AND TRUST Co., Mansfield, Ohio, voted recently to merge their banks.

The new bank, if approved by stockholders and supervisory agencies, will be known as THE FIRST NATIONAL BANK OF MANSFIELD and will have assets of \$58,000,000.

Top officers of the merged institution will be: C. W. FUCHS, chairman; H. G. BRUNNER, president; A. C. HAND, Jr., senior vice-president; S. A. WENTZ, vice-president and cashier; J. J. CHARLES, vice-president; H. H. SCHETTLER, senior trust officer; C. A. WOLFARTH, trust officer.

Steps to merge EQUITABLE TRUST Co. and SECURITY TRUST Co., Wilmington, Delaware, are under way. The merger will be effective November 1 and the new bank, with main office at 901 Main Street, will be known as the EQUITABLE SECURITY TRUST Co.

Officers of the institution will include: C. DOUGLAS BUCK, honorary chairman; THOMAS J. MOWBRAY, chairman; JOHN B. JESSUP, president; and EDWIN P. NEILAN, executive vice-president.

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B-2

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MEMPHIS 3, TENN.
Sterick Bldg.
DALLAS 1, TEXAS
Construction Bldg.

HOUSTON 2, TEXAS
West Bldg.
LUBBOCK, TEXAS
Lubbock National Bank Bldg.
NEW YORK, NEW YORK
37 Wall Street

Revised Specimens of National Banks' By-Laws and Articles

THE president of the National Bank Division, American Bankers Association, Charles H. Buesching, president of the Lincoln National Bank & Trust Company, Fort Wayne, Indiana, has just announced that there is available for distribution revised specimens of "Articles of Association and By-laws for National Banks."

This work was carried out under the direction and supervision of the vice-president of the Division, T. Allen Glenn, Jr., president of the Peoples National Bank, Norristown, Pennsylvania, and with the approval and cooperation of the Office of the Comptroller of the Currency.

While these documents might not fit the situations of all banks, nevertheless they do include principal provisions which the majority of banks may desire to incorporate in their articles of association or by-laws. National banks should find these documents extremely valuable to them.

Copies of the specimen articles of association and by-laws can be obtained by writing to the National Bank Division, 12 East 36th Street, New York 16, New York.

One thing about baldness is that it requires very little attention.

Flattery is never so thick that the person who receives it gags on it.

Women inspire men, but if it were not for women men wouldn't need to be inspired.

Some persons think it's hard enough to earn money without trying to save it.

Everyone wants to divide the wealth if he will get more than he has now.

The trouble with popular music is that there is so little of it they play it over and over.

One good thing about growing old is that you don't have to go to picnics.

Your man!



At The Northern
Trust Company all
your requirements are
handled under the
direction of an officer
known to you personally!

★ A big-city bank—impersonal? You won't feel that way when you call on The Northern Trust for service. Here you find the closest, *personal* attention—an immediate handling of your needs by an experienced staff who follow through and see that you get *all* the service you require. Call, write, or better still, stop in and see how "the bank of personal service", with its complete banking, bond, and trust facilities can be of help to you:

- ★ *Complete facilities and services for you and your customers:*
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- ★ *Broad, fast collection service*
- ★ *Credit information*

- ★ *Investment research facilities*
- ★ *Safekeeping service*
- ★ *Advice on financing foreign trade*
- ★ *Purchase and sale of U. S. Government and municipal bonds*

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Our most recent purchase was the capital stock of the Whiting Mead Co., Los Angeles involving approx. \$2,000,000.00 acquired from the Citizens National Trust & Savings Bank, Los Angeles.

We invite inquiries, without obligation, from BANKS, TRUST COMPANIES, FINANCE COMPANIES, ATTORNEYS, UNDERWRITERS, EXECUTORS, etc., anywhere in the United States.

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Bankers Urged to Finance Farm Machines

“ALIKE as two peas in a pod” is an age-old saying that may go out of use as a result of modern research. Three hundred New Jersey bankers and farmer guests, on a tour of the world-famous Seabrook Farms near Bridgeton, New Jersey, on August 13, watched a new electronic sorter unerringly pick out yellow or overripe peas as a preliminary step toward processing them as frozen foods.

C. F. Seabrook, president of the Farms and son of its founder, urged bankers to finance farmers in the purchase of labor saving and time-saving equipment. He asserted that through intensive mechanization and application of modern fertilizing and insect control practices, crop yields have been increased during the past 10 years from 25 to 80 percent, depending upon the individual crop produced.

The Farms had its inception in 1880 from a 57-acre market garden to supply fresh produce directly to housewives in Philadelphia and Camden. Today it employs 4,000 people and its frozen and processed foods are marketed nationally to retail grocery outlets.

The visit, sponsored by the Agricultural Committee of the New Jersey Bankers Association, of which

“Oh, hang the old budget! The President doesn't balance *his* budget, and you don't see anybody closing the White House!”



BANKING

William F. Ritter of the Cumberland National Bank at Bridgeton is chairman, illustrated to bankers and to their farmer guests the rewards resulting from modern soil building and management practices. While the ingenious machines used in food freezing were to a large extent developed at Seabrook, they illustrate how modern science is aiding the farmer. For example, the electronic selector grades peas by color to insure a standard green pack, while a later process of brine flotation removes all damaged or light peas automatically as thousands of bushels of vegetables pour through the processing department.

SEABROOK owns or operates under direct lease 20,000 acres and buying under contract the crops from 30,000 additional acres farmed by approximately 1,000 independent farmers. While the actual investment in land, equipment, and lease-holds stands at \$19,000,000, the replacement cost would run as high as \$33,000,000. By applying the latest scientific innovations to agriculture and food processing, Seabrook Farms last year packed frozen vegetables and fruits totaling 100,000,000 pounds, valued at \$23,000,000. The 1952 output is expected to be 17 percent higher.

"I beg your pardon, young man, but could you tell me which political candidate is advocating bigger checking accounts?"



A Note of Appreciation

As the only Insurance Company in America specializing in the Protection of dealers and owners of automobile auctions against Bad Check Loss, this company is privileged to serve the leading automobile auctions in practically every section of the United States.

To the Bankers of America who have been most generous in their response to our request for information and collection assistance, The Fidelity Insurance Company of Tennessee directs a sincere note of thanks. Your cooperation has contributed materially to the low cost protection which we are able to render to our customers and yours.



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Cleveland Cliffs Iron Company

Arthur P. Williamson
President, Dill Manufacturing Company

STATEMENT OF CONDITION

June 30, 1952

RESOURCES

(Less Reserves)

Cash on Hand and Due from Banks	\$ 19,218,431.04
United States Government Obligations.	77,674,704.01
(Including \$13,800,000.00 as Lawful Reserve)	
Other Investments	29,548,248.56
First Mortgage Loans on Real Estate	86,875,472.41
Other Loans and Discounts.	35,953,797.68
Bank Premises—127 Public Square	1.00
Bank Parking Lot—W. 3rd & Frankfort Ave..	1.00
Interest Accrued and Other Assets.	4,211,289.00
Total	\$253,481,944.70

LIABILITIES

Surplus	\$ 15,000,000.00
Reserve for Contingencies	2,181,900.00
Reserve for Taxes and Expenses	613,598.41
Savings Deposits	226,206,265.22
Other Deposits	7,120,296.80
Deferred Credits and Other Liabilities	2,359,884.27
Total	\$253,481,944.70



Security and Uninterrupted Dividends to
Six Generations of Savers

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Savings Accounts for Babies

THE Valley National Bank of Phoenix, Arizona, has a campaign to develop savings accounts for babies. It's built around an offer of an attractive, pocket-sized baby book free, when an account is started by parents, relatives or friends. Twelve illustrated inside pages provide space for the baby's picture, birth records, height and weight records, the names of contributors to the account, and other records.

The book has a white, grained plastic jacket with a slot on the inside cover providing a convenient place to keep the passbook. The back inside cover has a built-in pocket for snapshots, notes or records.

The passbook has a white leatherette cover. Its first two pages are illustrated with more babies and carry special messages to the parents. The first page reads in part: "A baby brings joy to every household—and added responsibilities. If you have not already revised your will to include the new member of your family, you should do so immediately to insure his or her future security. Of course, if you have not made a will, in justice to your

family and to the estate you have built, you should proceed without further delay." It continues with the suggestion that the Valley National Bank be named executor under the will and invites a discussion with the bank's trust officers, at no obligation of course.

The second page calls attention to the need of protecting the baby's birth certificate and other valuable papers by renting a safe deposit box. A white envelope for the passbook is also given the customer since on'y the passbook will be brought to the bank when additional deposits are made. When the signature cards have been completed, the baby book and passbook are slipped into a glassine bag.

Window displays, counter displays and commercials on the bank's television program have been used to advertise the offer. Other media may be added later.

A substantial increase in babies' savings accounts is reported since the offer was first made.

The baby book was designed under the supervision of the bank's publicity department.

The pocket-size baby book, showing typical page for records, passbook, and jacket



GIVE ME *Liberty!*



Patrick Henry would back our platform of *economy and freedom from chaos in business.*

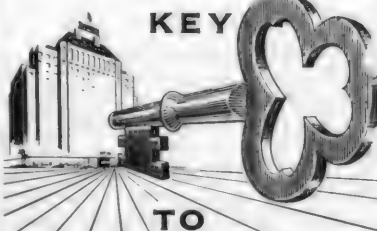
Spend less to store more! Keep inactive records systematically safe, clean and accessible the low-cost LIBERTY way. Over 90,000 firms are using LIBERTY BOXES. 25 stock sizes for every popular form.

Sold by leading stationers everywhere

Clip this ad to your letterhead for **FREE BOOKLET** "Manual of Record Storage Practice". Tells how long to keep specific records. Shows best methods of record storage.

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Record Retention—Our Business Since 1918
720 S. Dearborn Street • Chicago 5, Ill.

HERE'S
YOUR
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TO
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WELCOME
WIDE
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Low package room rates for week-ends.

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M. JACK FERRELL, Managing Director

Stock-Bond Yields

FOR three years the spread between common stock and bond yield has been narrowing almost without interruption, says the *Business Bulletin* of The Cleveland Trust Company. It continues: "However, in the summer of 1949 this spread was exceptionally large, and by historical standards it is relatively wide today in spite of the narrowing process. Thus in July of 1952 common stock on the average yielded 1.99 times as much as high-grade corporate bonds. That compares with an average of 1.50 times for the past 50 years. . . .

"On a few occasions, notably during the speculative fever of 1928-1929, average stock yields were actually below those of bonds. But since those days the relationship between the two has changed. . . . Over the past 10 years the ratio has nearly always been above 1.5 times; and more often than not, it has exceeded 2 times. The most recent high point was in the summer of 1949 when the ratio was 2.94 times.

"It is interesting to compare the yields and ratios by 10-year periods."



"When you finish that appraisal, Eleford, the bank has a few it would like to get out of the way."

Ten-Year Averages

	Yields on Common Stocks	Yields on High-grade Corp. Bonds	Stock Yields as Multiples of Bond Yields
1902-11	5.08%	4.52%	1.12
1912-21	6.88	5.19	1.33
1922-31	5.91	4.86	1.22
1932-41	5.89	3.63	1.62
1942-51	6.00	2.70	2.22
July, 1952	5.85	2.94	1.99
50-yr. average	5.95	4.18	1.50

"Declining bond yields have been the principal factor in the rise of the ratio in the last column of the table. Today they are not much more than half of their 1902-1931 average. These low yields stem chiefly from the Government's policy of maintaining money rates at low levels during the last 20 years."

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Schweizerischer Bankverein

Società di Banca Svizzera

Capital and Surplus: Swiss Francs 214,000,000

Resources: Swiss Francs 2,860,000,000

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CANADIAN AFFILIATE: Swiss Corporation for Canadian Investments Ltd.
360 St. James Street, West, Montreal 1, Canada.

Modernized Operations

(CONTINUED FROM PAGE 41)

We as bankers should devote our attention to speeding up the collection of checks.

The greatest contribution in this direction which individual banks can make is to increase the efficiency of their own check handling operation.

Proof Department

The secret of proof department efficiency rests in keeping to a minimum the number of times each check is handled. Under the ideal system a check would be handled only once in the proof department. When an automatic feed is used on the microfilm machine, checks need be handled individually only once, when they are run through the proof machine. An adding machine batch proof can be operated with the same degree of efficiency by placing an endorsing unit beside the adding machine so that checks may be endorsed as they are listed. Even the smallest bank can reduce its check handling through the use of the batch system and a carbonized proof sheet, which makes it possible with one listing to produce the bank's own record and a cash letter.

There is encouraging evidence that the companies manufacturing proof machines will soon be producing models sufficiently simplified and reduced in cost to make them feasible for even the smallest banks. Generally speaking, a daily volume of 2,000 items is required to justify the installation of the standard proof machine.

Teller Equipment

Great advances have been made since the early days when everyone in the bank used the same cash drawer. The sad experiences of banks when a member of the staff was unable to resist the temptation of the single cash drawer system has led to giving each teller complete unquestioned control over his own cash. The teller counter which embodies a roll top similar to the old-fashioned roll-top desk, affords the teller the ultimate in protection for his own cash. Whenever he leaves his window, all he need do is pull down the roll top, lock it and the cash drawers, and have no worry

about anyone other than himself having access to his cash.

In some banks, teller machines have effected substantial improvement in teller efficiency, and have provided increased audit control. The smaller the amount of internal control and internal auditing, the more justification there is for the teller window machines.

In areas where there is a large volume of check cashing, the new currency wrappers and dispensers hold great promise. It may not be too fantastic to think of payroll checks with some validating symbol which would permit dropping the check into a check cashing machine, which would deliver the correct amount of current amount of currency and coin automatically.

Savings Department

In the savings department, trial balances and interest computation and postings are major factors of expense. If punched card accounting is used, the time of trial balances, interest calculations, and posting is greatly reduced. It has been suggested that if a key punch machine were coordinated with a

window posting machine, a punched card debit or credit could be prepared simultaneously with posting the customer's passbook. These cards could then be used to post the ledger cards and all trial balances, and interest calculations could be done automatically.

Work Flow

Because most of the work in a bank deals primarily with pieces of paper which are light in weight and easy to transport, very little attention has been paid in the past to arranging work flow in logical sequence. However, modern studies bring to light the fact that a surprising saving of time can be effected by arranging desks and machines so that checks and papers flow logically from one to the other. Very little seems to be involved when it is necessary for a clerk to get up from her desk or machine, walk a distance of 20 or 30 feet and back again. However, this interruption of routine, the time of moving, and the time spent conversing with other clerks, all add up to a surprisingly great waste of time and money.

Substantial savings of time can be effected and customer service improved by studying the flow of work through the bank so that



Clerical area behind the counter in the William Penn Bank of Commerce, Pittsburgh



A CHECK—is not money that banks can use until it is cleared.

AMERICAN NATIONAL'S day and night transit services, plus extensive banking connections, assures quick, efficient clearance of transit items.

AMERICAN NATIONAL BANK at Indianapolis

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

MUTUAL INVESTMENT FUNDS

Investors **MUTUAL**

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each movement of checks or other work is as short as possible.

For example, a substantial improvement in work flow can be had by placing the mail room, distributing department, and bookkeeping department adjacent to each other. Cash letters received in the mail room can then be delivered directly to the distributing department and from there to the bookkeeping department. Likewise, checks which are to be sent out of the bank can be sent directly from the distributing department to the mail department with a minimum of effort.

Departments of the bank should be placed in a manner which will facilitate internal operations and provide the maximum in convenience for customers.

Housekeeping


Bank buildings should be designed and equipped to facilitate and encourage good housekeeping. Employees are encouraged to take good care of their equipment and building if the furniture is properly designed, well arranged and neatly maintained.

If housekeeping is to be well done, it must be everlastingly stressed and emphasized. It is just human nature for employees to try to keep attractive quarters and equipment in tip-top shape, but to be less energetic about keeping their quarters in good order when they are unsightly and out-dated.

To facilitate housekeeping, the general trend is towards smooth plastic surfaces which can be dusted easily or wiped off with a damp cloth. Formica surfaces on teller counters and check desks, plastic flooring materials, metal desks, and painted walls, all contribute to ease and economy in maintenance. The electric scrubbing machines and vacuums which will remove soapsuds from the floor are finding wide acceptance, because they soon return their cost in time saving.

Equipment

The greatest improvement in customer service and employee morale can be obtained through judicious use of mechanical equipment. Even in cases where it can be proved that it is less expensive to perform an

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Consecutive Dividend

A dividend of sixty-five cents (65¢) per share on the Capital Stock of the Company has been declared this day, payable on September 10, 1952, to stockholders of record at the close of business on August 15, 1952. The stock transfer books will remain open.

August 8, 1952 ROBERT FISHER, Treasurer

operation by hand than to purchase a machine to do it, many banks have found it advisable to purchase the equipment. Through its use, customers receive a neater, more legible record which goes far toward building their confidence in the bank and encouraging their desire to continue as a customer. Employees, who are accustomed to push-button living at home, find little justification for hand-posted records, hand-operated machines, old-fashioned furniture, dingy walls, or poor lighting. The best in modern, efficient equipment will pay substantial dividends in improved customer service and employee morale and effort.

Furniture

Bankers are slowly but surely adopting the modern, functional furniture which does so much to facilitate operations and improve appearance. The conventional desk is no more suited for use with a calculating or adding machine than is a Model T Ford to run in the Memorial Day race at Indianapolis. Modern functional furniture makes it possible for employees to perform their work with less effort, greater accuracy, and in less time.

Mobile Banking

During the war, banks provided banking services for military installations by using a truck which could be driven to the Armed Forces installations.

There are many arguments against the widespread use of trucks for this purpose, including the danger of theft or armed robbery and the lack of space to service customers properly. There is also the psychological effect on customers through the loss of the appearance of solidarity and conservatism which the use of trucks engenders. The biggest difficulty involved in widespread use of this facility is that of governing competition. Through the use of trucks, it might be possible for large banks to freeze out smaller independent units.

However, in my opinion, I can foresee the time when well-designed, properly protected trucks will carry banking services through the streets of our cities and towns in a manner not too unlike that used to deliver milk or newspapers.

The future of private banking depends to a considerable degree on continued improvements in buildings, equipment, and operations in

the banks of the country. Bankers are accepting the challenge and are making increasing efforts to keep their banks modern, efficient, and attractive to customers and employees alike. If the leadership which has been displayed so far engenders a sufficient amount of "followership," the future of the American banking system is indeed bright.



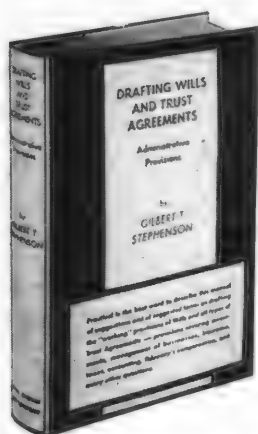
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Gifts on UN Day

THE Advertising Council and the National Citizens' Committee for UN Day are cooperating in plans for the celebration, on UN Day (October 24), of the seventh anniversary of the United Nations. The 1952 program will seek to establish the organization's birthday as a traditional occasion for sending greetings and gifts to people in other UN countries.

Clarence Francis, chairman of General Foods Corporation and vice-chairman of the United Nations Week observance (October 19-25), urged the nation's support of the gift-and-greeting program.

"In the face of some of the greatest world tensions in history," he said, "the United Nations has been successful in preventing war in areas inhabited by more than 500,000,000 people and is still our major hope for world peace.

"If the UN is to make further gains in the prevention of war, it must have the support of the public."

Frank L. Weil, chairman of the National Citizens' Committee for UN Day, said that the gifts-and-greetings theme had been approved by representatives of more than 100 national organizations.

Banknotes from Western Europe and the United States find a ready market in Tangier. Here's a sidewalk exchange dealer



Trusts and Estates

(CONTINUED FROM PAGE 49)

and, as a result, much more prosperous than they are now or ever have been.

Small Estates

One way is to obtain from the state legislatures streamlined probate procedure that will enable trust institutions to settle small estates—that is, under \$10,000—profitably. This matter already has been under thorough study. (L. H. Roseberry, "Streamlining Legal and Administrative Procedures for Small Estates," *Trust Bulletin*, Oct. 1947, p. 21; Gilbert T. Stephenson, "Streamlining the Settlement of Small Estates," *Proceedings, Section of Real Property, Probate and Trust Law, American Bar Association*, 1946-1947, p. 102; LeRoy B. Staver, "Suggested Simplification of Laws for Administration of Small Estates," *Trust Bulletin*, Oct. 1949, p. 3; *The Model Probate Code*, Secs. 86-92.)

Small Trusts

Another way to popularize trust service is to make participation in common trust funds more general among people of modest estates. The common trust fund substantially reduces the cost of trust adminis-

tration. It improves the quality of investment service. Many more trust institutions can and should establish a common trust fund. Provision can and should be made, by appropriate changes in laws and regulations, for participation by accounts in trust departments too small to have a common trust fund in the fund of a larger trust department with a better staffed and equipped investment division.

Informative Advertisements

A third way further to popularize trust service is to make trust advertisements more informative and not propagandistic only. People are disappointed and, possibly, sometimes alienated by advertisements that brag about trust institutions without telling anything definite about trust service—particularly the nature and the cost of the service.

The general outlook for trust business in 1952 is and should be encouraging because its problems, though numerous and stubborn, are solvable and the solutions, one after another, will be well worth the effort of bankers and trust men.

The Savings Business

(CONTINUED FROM PAGE 46)

ing all accounts, and virtually supplanting all human beings except for decorative purposes.

Another development will probably be the eventual emergence of a single type of bank which will perform all the banking functions now performed by our various kinds of banking institutions. The lines of demarcation have been disappearing for many years and the trend toward unification of banking functions probably will, and in the public interest probably should, continue. In that connection the irritant of the Federal savings and loan system will diminish. Those institutions have enjoyed a great burst of growth due to economic conditions, Federal promotion, and a crusading zeal, all of which are already on the wane. They perform a tremendously valuable function in a field that banks had neglected or spurned.

More wisdom and less emotion on both sides will be in the public interest, and the future of the savings business bids fair to be more comfortable and constructively effective through the healing and enlightening passage of time.

World-Minded Savings

One final word about a trend that ought to be made inevitable if the savings business measures up to its opportunities. In the long view of the ages our country has come to that part of its life cycle when it must become more world-minded. Appallingly large proportions of the world's population and area are in desperate need of thrift education and thrift promotion. The future of the savings business ought to include an active leadership in the savings business of the world. Eventually our own savings will profit not only by the improved economic health of the world which our savings leadership could foster but we might also find abroad safe and profitable fields for investment of part of our own national savings.

ATOM

Men of the 11th Airborne Division wait for the dust to settle after an experimental atomic explosion in Nevada. More than \$10,000,000 per day is being spent by this country on atomic projects of various kinds. Events abroad will determine whether the atom's peacetime or wartime uses will have the right-of-way.



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Coin Banks and Savings Programs

MAURICE F. TEHAN

MR. TEHAN is assistant vice-president of the Industrial National Bank, Detroit.

FINANCIAL institutions all over the country are seeking or using various plans to attract new savings accounts. A number of these plans involve the use of coin savings devices.

For almost a century, coin banks and other coin savings devices have been offered to customers and the general public by banks on the theory that the public associates savings with coin banks and other savings devices.

In an effort to determine what financial institutions have evolved in the way of programs using coin savings devices, a questionnaire was submitted to more than 200 commercial banks, savings banks, and savings and loan associations throughout the country.

Two questions were designed to give an insight into what prompted the various types of financial institutions to use coin banks and other types of coin savings devices. One hundred and nineteen organizations reported, but eight of these either had no program or did not answer.

The basic reasons for offering coin savings devices was the subject of one question and those answering were asked to number factors as to their importance. The answers were rated allowing four points for a 1, three for a 2, two for a 3, and one when the reason was checked but not numbered. On this basis, *Business Development* scored 229 rating points or 42.64 percent of the total points accumulated by the first three reasons. *Public Relations* rated as the second foremost reason for using coin savings devices and scored 174 rating points or 32.40 percent. *Demand* was in third position with 134 rating points or 24.96 percent. Other reasons men-

tioned were of minor importance.

The same institutions checked 200 items when asked as to their opinion as to the role of coin banks. In 97 cases it was reported that such items are of public relations value, 68 indicated coin banks are an advertising medium, and 35 considered them a sales assist.

The 22 savings banks answering the questionnaire reported that coin banks were being used and 13 of these institutions were also using other coin savings devices.

Dual methods of offering the banks were in operation in nine of the savings banks, and 13 others operated under a single plan. In all, 21 institutions had coin banks for sale, four made them available to depositors as a loan (accepting a deposit or placing a hold on an account), one offered them free to all depositors and used them as gifts on special occasions. In this group of savings banks, one reported that some coin savings devices, other than coin banks, were sold, whereas others were made available free. In all, 13 savings banks offered free savings devices to all customers.

RETURNS from national banks totaled 36 in number, 13 institutions reporting multiple plans involving the use of coin banks and three non-users. A total of 51 programs involving coin banks were in use.

The sale of these items was reported by 29 institutions, nine others gave them free to new customers, five offered coin banks on a loan basis with a deposit or hold, and five used them as gifts on special occasions, or in programs of a limited nature. One other national

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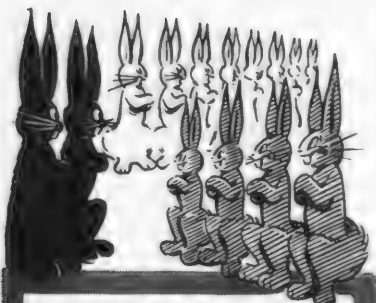
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bank provided free coin banks to all depositors.

A high percentage of the national banks answering the questionnaire were not users of coin savings devices (other than coin banks). Some 22 out of 36 institutions, or 61.11 percent, did not use such items, 10 had various devices available for all customers.

Of the 38 state banks answering the questionnaire, two did not use these items, but the others reported single and combination programs as follows: Coin banks were offered for sale by 31 institutions, five offered them on a loan basis with a deposit or hold, four had special programs for giving free banks to babies, children, or on the occasion of the opening of new offices. Free coin banks for all customers were provided by three others and one presented them to new customers.

Reports from state banks indi-

cated that 65.0 percent of these banks were not using savings devices (other than coin banks). However, eight made various items available to all, and eight commercial campaigns were reported. Coin books (fables) for children were sold by one other bank.

Of the 23 savings and loan associations responding to the questionnaire, two reported that they were not currently using coin banks or any coin savings device. Some of the others, however, indicated that combination programs were in effect. In all, 12 associations offered coin banks for sale, seven issued coin banks, accepting either a deposit or placing a hold on the account, five were giving free banks to new customers, and two made them available to all customers.

Coin savings devices were used by 12 of the same savings and loan associations and 11 did not use them.

Remember Last Winter?

THIS is a thought for a warm day in late summer.

The big building on the corner is the Omaha National Bank, after a fair-sized snowfall. The point of interest is the absence of snow from the two sidewalks which, we're told, weren't shoveled. They didn't have to be, because the bank, like many others, has under-the-surface snow melting equipment. Dry sidewalks mean clean, dry lobbies, lower liability risks.

The melting system is comparable to a hot water radiant heating system for, say, a bungalow. Water containing a permanent anti-freeze is pumped from a heater through corrosion-resistant coiled pipe beneath the sidewalk. Steam isn't used directly because drainage of the condensate is difficult, and incomplete drainage may cause freezing in the coils.

Operation of the system can be intermittent or continuous, and automatic operation is possible.

Turn a valve, throw a switch and—let 'er snow!



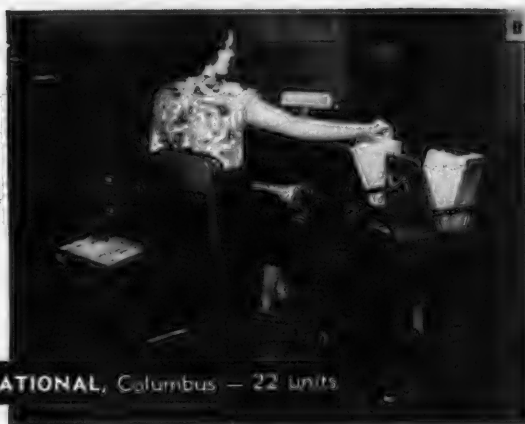
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The Cold War

(CONTINUED FROM PAGE 35)

drugs that were dispensed to the public by the crew of social workers and fellow-travelers who gathered in Washington under the careless scepter of Franklin D. Roosevelt.

Finally, in 1947 the United States and its friends began to wake up. They saw that the Soviet Empire was gobbling one nation after another, with an appetite that seemed to get more insatiable with every mouthful. They observed that the Soviet Union, unlike all the other belligerents of World War II, was keeping the main structure of its armies intact, and was directing its economy not toward the uses of peacetime but toward the strengthening of its armament potentialities. They began to suspect that the Bolshevik leaders were taking their own program seriously.

A Gradual Realization

In these various ways the United States and its friends came to see not only that Eastern Europe, the Middle East, and the Far East were under attack, but that the freedom and security of Western Europe and of the United States itself were threatened. Realizing this, and fearing that as things were going so much of the world might soon be taken over by Moscow that an ultimate Soviet victory would be inevitable, the United States and its friends came to the conclusion that they had to resist. They neither wanted total war nor did they feel ready to fight one if they had wanted it. So, with much hesitation and many mistakes, they tried to improvise ways of halting the Soviet avalanche by means short of all-out fighting.

Through this decision by the Atlantic powers to resist further Soviet expansion, the Cold or Limited War was joined, and continues. It has many forms: limited but sharp fighting by arms; massive economic and technical aid; diplomatic moves; blockades and boycotts; psychological and subversive warfare. It is back by large-scale rearmament and remobilization.

This brief analysis of the origin and nature of the Cold War enables us to answer some of the questions which we earlier posed, and to clarify the remainder.

No Sudden Peace

In the first place, we may be as certain as it is possible to be in such matters that the Cold War is not going to change suddenly into total peace. The causes and issues of the Cold War do not depend on the will, good or bad, of a few individuals but on the circumstances of a profound historical crisis. No matter what sweet words may be uttered by political leaders on either side, no matter how many conferences may be held or even treaties signed, it will still be the case that two great power concentrations face each other across a world in which there exists no balancing third force, that the chiefs of one of these concentrations are determined to achieve a monopoly of world power, and that their way of thought and work and life is incompatible with ours. As a people and as a nation we shall resist and keep resisting.

This means, second, that rearmament and foreign aid and peripheral fighting and the psychological and economic maneuvers on the international arena, all of

which make up the content of the Cold War, will continue. Under the influence of temporary moods of complacency or fright or weariness, or of deceptive tricks by our shrewd and never-resting opponent, the scale of our side of the Cold War may go up or down. The rate of rearmament and of foreign aid may be speeded or contracted. In spite of any such variations, however, both will remain substantial, and I am inclined to believe that the level of domestic rearmament will rise, whether fast or slowly, for an indefinite period into the future.

Rearmament Never Complete

It is usually thought that when the rearmament is "complete," the amount of armament spending will quickly slough off, even granted the continuance of the Cold War. I believe that this prediction is incorrect. By its very nature, rearmament cannot be complete. The latest models of planes, submarines, bombs, rockets, and guns automatically make all previous models obsolescent. To keep an effective military force "in being," it must be constantly renewed and upgraded. Furthermore, the new electronic, atomic, and air-borne devices are extremely expensive and becoming daily more so. We can anticipate that rearmament and associated activities will be a major element of our economy and of our national effort for a long time to come.

Third, there is no reason to believe that the Cold War and what goes into it will be much affected one way or another by the outcome of the November election. On the relevant points, the two candidates have expressed no significant differences of opinion. Even if they had, it is doubtful if much would or could be altered. In office, the new President will find himself faced with the same world situation as his predecessor.

The Final Question

There remains the final question: Will the Cold War change or develop into general, total war? To this question a firm answer cannot yet be given. We can conclude that the struggle in one phase or another, hot or cold, will go on until it is finished—that is, until one or the other of the principal opponents, the United States or the Soviet Union, is defeated. Until that happens, there is no world political basis for lasting peace. General war, though perhaps the most likely, is not the only way by which such a defeat can be brought about. The Cold War itself—political, economic and subversive warfare accompanied by limited fighting—may achieve the result.

Neither of the principal opponents seems to want to shift gears into general war. From present indications, we can agree that general war is not probable for the immediate future, though a danger zone will be reached by the latter part of next year. If we allow ourselves to be rotted from within, and if we give up those values and traditions of liberty which constitute our historical roots, then in the end Moscow and its agents will doubtless take us over without atom bombs. If, on the other hand, we prove equal to our world responsibility and if we offer a firm and hopeful leadership, we may find that the peoples and nations now enslaved by the Communists will themselves, with our moral backing, be able to drive out their own tyrants, and to put in their place new men with whom we and the world can live in mutual prosperity and peace.

Make no little plans

As we meet at our annual convention . . . as we discuss our mutual problems and opportunities . . . as we endeavor to render an ever-better public service, both as individual institutions and acting in cooperation, under the correspondent banking system . . . it would not be amiss to keep in mind these inspiring words written in 1909 by Daniel Burnham, famous Chicago architect:

"Make no little plans; they have no magic to stir men's blood and probably in themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with ever-growing intensity. Remember that our sons and grandsons are going to do things that would stagger us. Let your watchword be order and your beacon beauty."

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Other Organizations

(CONTINUED FROM PAGE 76)

S & L Facts

THE difference between money on deposit in a bank and money invested in a savings and loan association is the subject of a new pamphlet published by the MINNESOTA BANKERS ASSOCIATION.

The full title of the pamphlet is *FACTS You Should Know about Savings and Loan Associations and Banks*.

In a foreword, the pamphlet states:

"The banks of Minnesota readily acknowledge that savings and loan associations render a distinct and useful service. They do not question the safety of funds invested in savings and loan associations.

"But many such associations have the appearance of banks. As a result, their function is often misunderstood.

"This confusion can be unfortunate for everyone concerned — savings and loan associations, banks and the public."

The pamphlet, which has been published for distribution through individual banks, answers in frank, simple language a number of questions on the differences between savings and loan associations and banks.

* * *

Convenience Hours

TANGIBLE evidence of the service now being rendered by banks is revealed in a statewide study of banking hours just completed by the New York State Bankers Association.

This study showed that 274 commercial banks in the state now maintain extra hours for the convenience of their customers. This includes banking hours for commuters starting at 7 A.M. and special hours for shoppers which extend on into the evening. In addition, many banks are open one or two nights a week and one bank even opens on Sunday for the convenience of students attending Alfred University.

Other banking facilities have been open on Army Posts and at naval installations solely for the convenience of our Armed Forces personnel.

(END)

BANKING



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These ultra-modern Westinghouse Electric Stairways

provide constant-moving, no-wait service down to the bank and up to the street. Business is transacted without delay. No time is wasted by the business man . . . no stairs to climb by the housewife.

It will pay you to consider silent, rapidly moving Westinghouse Electric Stairways in your modernization plans. Remember your customers—give them all the benefits of modern banking, plus convenience . . . comfort . . . and faster service.

Westinghouse Engineers are ready to help you plan now. They will help you determine the stairway system best suited to your needs. Call the nearest Westinghouse office, or write Westinghouse Electric Corporation, Elevator Division, Department X, Jersey City, N. J.

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Changes in Price Relationships Since the Devaluations

THE relationships between European and United States prices since 1949 have been influenced most importantly by three factors, according to *International Financial Statistics*, monthly bulletin of the International Monetary Fund. They are: "The devaluations of September 1949, one of whose purposes was to change those relationships; the armament programs and the Korean war which caused both European and United States prices to rise, but unequally; and the slight down-turn in United States prices that began early in 1951."

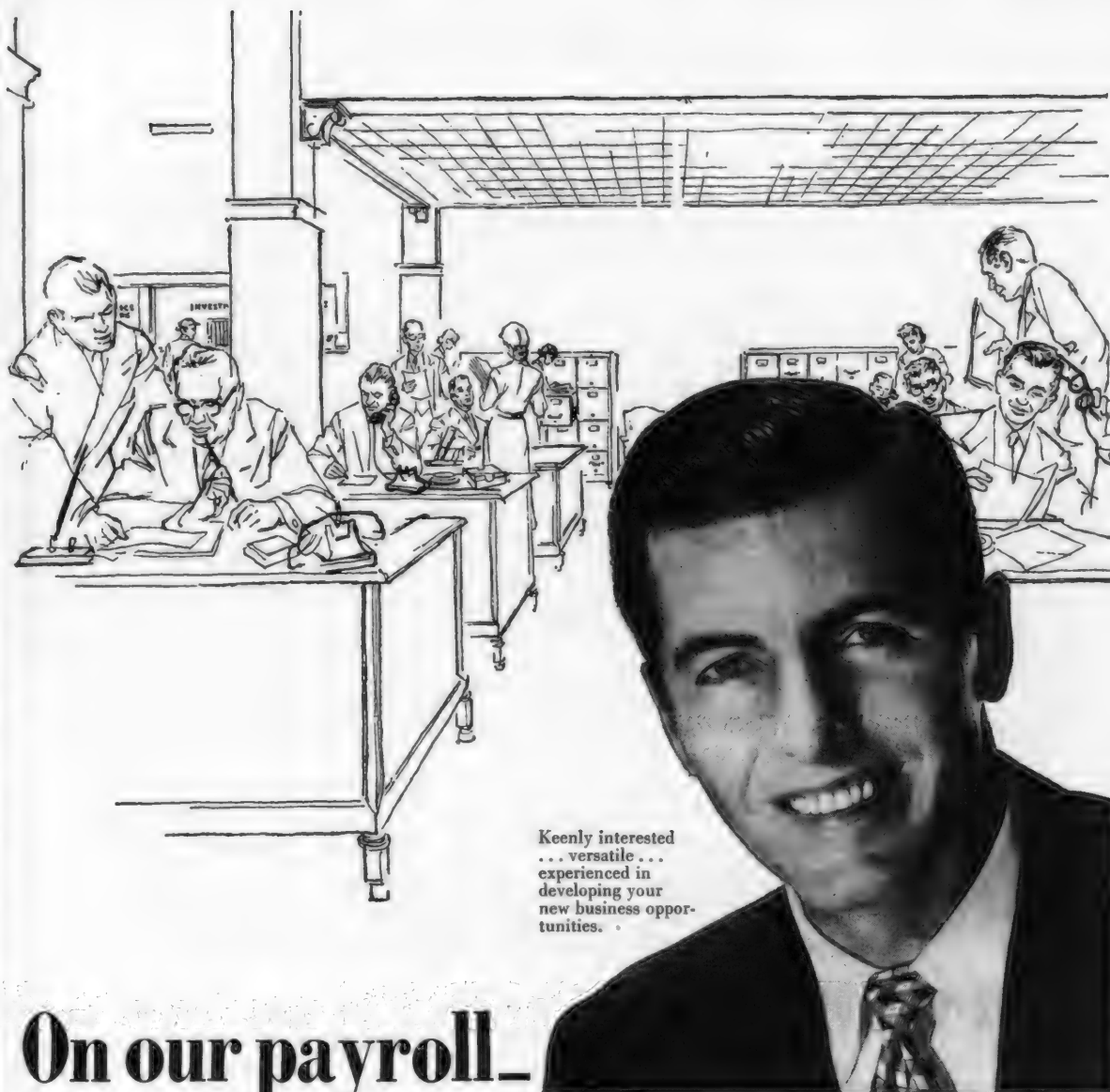
According to the bulletin, "if the United States wholesale price index is compared with those of Europe and Canada expressed in U. S. dollars, it would appear that much of the change in price relationships brought about by the devaluation has been lost through the continued rise of European and Canadian prices and the down-turn of United States prices. It would also appear that the extent to which this has occurred in the various countries of Europe is very similar—Italy being the principal exception of a country whose wholesale price index has risen relative to the U. S. index very much more than those of European countries generally.

"Such a comparison of wholesale prices in Europe and in the United States, however, fails to show correctly either the price effects of the devaluations of the extent to which

those effects have been retained or modified by subsequent developments. Wholesale price indexes are necessarily a mixture—and in most cases an irrational mixture—of domestic prices, export prices, and import prices, and it is through changes in the relationships between these elements that devaluations have some of their principal effects.

DEVALUATIONS are intended to reduce domestic prices expressed in foreign exchange and to reduce domestic prices relative to import prices. Export prices expressed in foreign exchange may prove either to be reduced because of the fall of their domestic price components, or to remain constant, to rise, or to fall if the export products in question have a world price mainly determined by supply and demand conditions abroad. Under these circumstances, whether wholesale prices expressed in foreign exchange rise or fall, and by how much, depends in large part upon the weights assigned to their domestic, import, and export elements, and for the determination of these weights there is neither any rational basis nor any consistent practice among countries. In general, the United Kingdom, Belgium, Canada, and Italy include in their wholesale price indexes all three of these elements . . . while Denmark, the Netherlands, Norway, and Sweden, include only home consumed goods."





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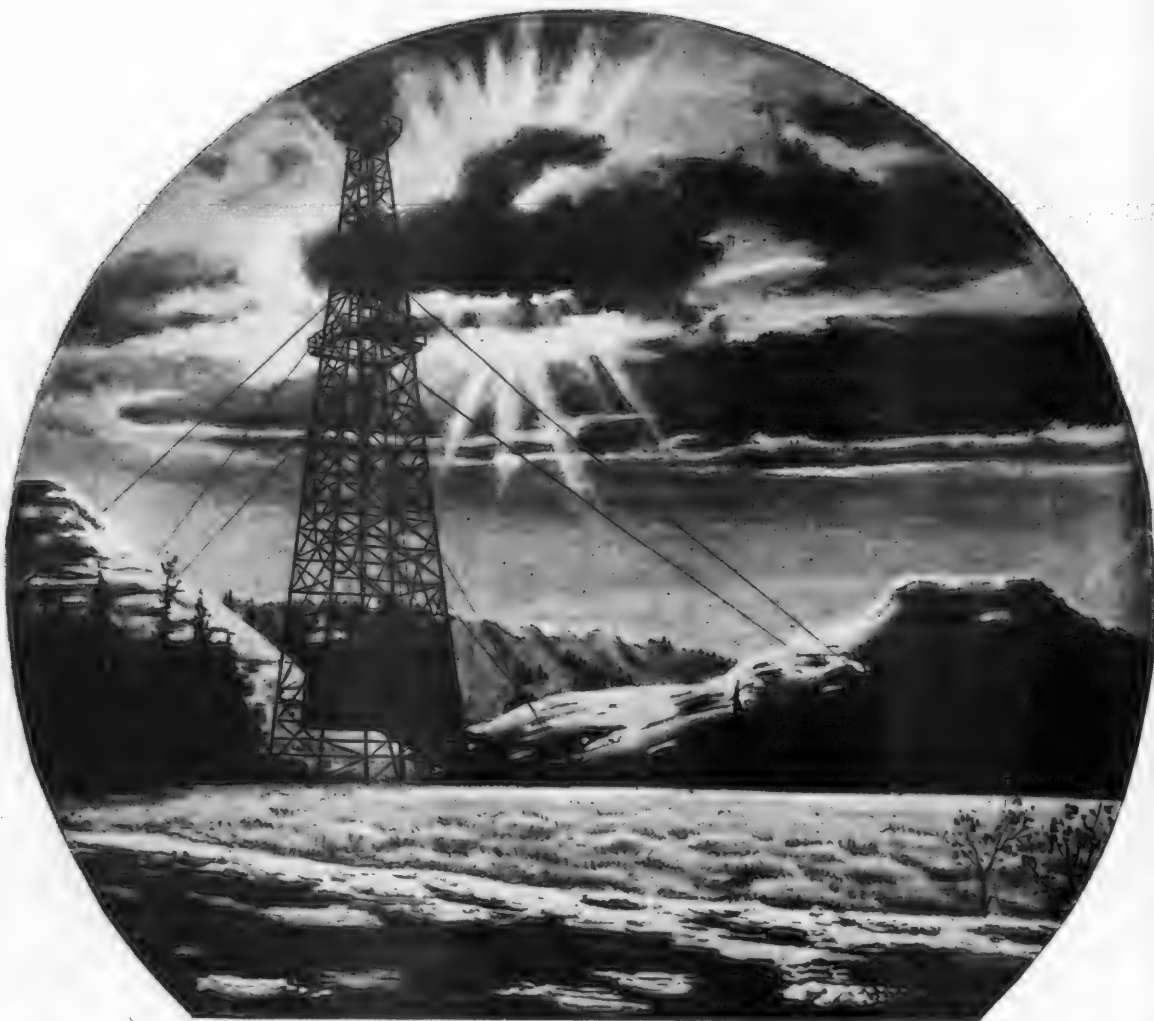
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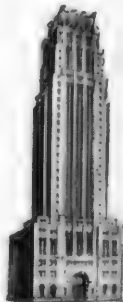
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New Books

THE DEVELOPMENT OF EXECUTIVE TALENT. Edited by *M. Joseph Dooh-er* and *Vivienne Marquis*. American Management Association, New York. 576 pp. \$6.75. This manual on executive training and management development covers organization of a program, special approaches and techniques, program evaluation, obtaining results from follow-up counseling, and case studies of numerous companies. Forty-four authors contributed.

MONEY AND ECONOMIC ACTIVITY. Edited by *Lawrence S. Ritter*. Houghton Mifflin, Boston, 396 pp. \$2.95. A selection of readings on money and banking, particularly for college students. Main subjects are: Money and commercial banking, central banking, the Treasury and monetary policy, the international economy, and economic stability.

ORGANIZING AND FINANCING BUSINESS. By *Joseph Howard Bonneville* and *Lloyd Ellis Dewey*. Prentice-Hall, New York. 375 pp. \$6.35. The fifth edition of a textbook embracing business principles and definitions, and business customs, practices and policies.

INCOME AND EMPLOYMENT. By

Theodore Morgan. Prentice-Hall, New York. 374 pp. \$6. This book, in second edition here, seeks to present "plainly, but with all important qualifications, the problem and policy alternatives faced by the United States' economy in maintaining productive and high employment."

EFFECTS OF TAXATION: DEPRECIATION ADJUSTMENTS FOR PRICE CHANGES. By *E. Carey Brown*. Harvard Business School, Cambridge, Massachusetts. 158 pp. \$3.25. An associate professor of economics at Massachusetts Institute of Technology reviews his problem from two angles: (1) the magnitude of the effect on national income and Federal taxes if replacement-cost depreciation were applied for tax determination; (2) an analysis of the efforts made by individuals, companies, and industries to meet changing price levels. The author's general conclusions are that historic-cost depreciation is more desirable than replacement-cost depreciation for tax determination. Regarding stability of economic activity, he finds the balance slightly in favor of historic-cost depreciation.

EFFECTS OF TAXATION: CORPORATE FINANCIAL POLICY. By *Dan Throop*

Smith. Harvard Business School, Cambridge, Massachusetts. 293 pp. \$3.75. Professor Smith, who is professor of finance at Harvard, analyzes the effects of taxation on the relative attractiveness of debt and preferred stock financing, new common stock issues, and retained earnings for both widely owned and closely controlled corporations. He also examines the tax influences on the organization and original capital structures of closely controlled companies and on the sales or withdrawals of part interests.

BUSINESS FLUCTUATIONS. By *Robert A. Gordon*. Harper, New York. 603 pp. \$5. A new college text, stressing a study of the "how and why" of fluctuations rather than the various theories behind them. It utilizes the business cycle patterns of the National Bureau of Economic Research in describing what happens during cycles. The author is professor of economics at the University of California.

PROCEDURE AND PRACTICE BEFORE THE TAX COURT OF THE UNITED STATES. Commerce Clearing House, Chicago. 265 pp. \$3. Twelfth edition of this guidebook for the practicing tax man.

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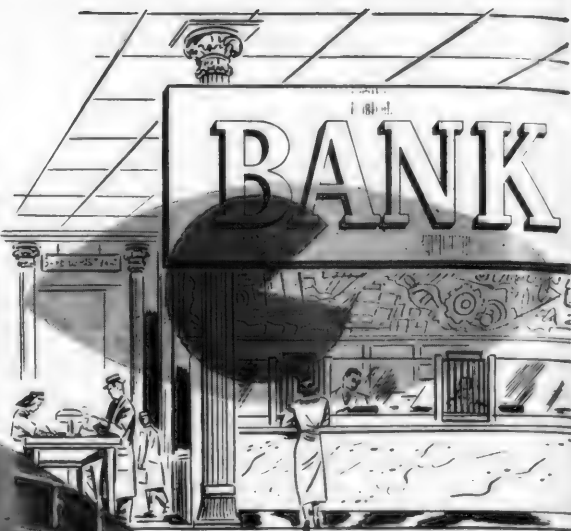


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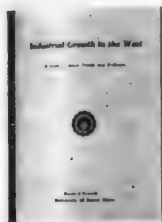
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Business Aids

Industrial Development • Pension Planning • Office Operations • Investments

EACH month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as a product endorsement.



For the bank with a customer looking westward: "Industrial Growth in the West," is an intensely interesting study. Issued by the *Bureau of Research, University of Santa Clara, Santa Clara, California*. This booklet begins with a review of the basic geographic area, and deals with a series of pertinent questions frequently asked about western industrial development. The aim of the study is to present a broad picture of some of the things most often inquired about by manufacturers, distributors, investors, economic research people and others seeking to keep abreast of western development. Write the Bureau at the University. Single copies \$1.



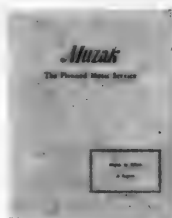
THE OIL PRODUCING INDUSTRY IN YOUR STATE—1952 edition. A statistical reference book on oil and gas production in 27 states is a library reference item that will interest banks involved in any phase of this spreading industry. It is double the size of the previous (1950) edition due to added information and comparative charts on

petroleum reserves, production, drilling, and economic value in each producing state. The only state-by-state reference of its kind. Single copies of this book may be obtained by addressing the *Independent Petroleum Association of America, P.O. Box 1019, Tulsa, Oklahoma*.



A MODERN APPROACH TO THE MANAGEMENT OF PRIVATE PENSION FUNDS. The observation has appropriately been made that every company has a pension problem, though it may not have a pension plan. Recent developments indicating an increasing awareness of both the problem and the need of suitable planning prompts the re-

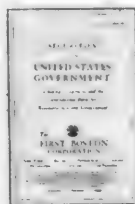
lease of an interesting book prepared to assist executives and especially trustees upon whom rests the responsibility of managing pension reserves. It is an item of interest to the trust officer, or any banker who may be drawn into consultation on pension problems. Write *Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 5, New York*.



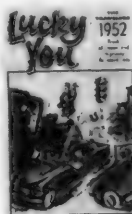
MUZAK—THE PLANNED MUSIC SERVICE, an interesting presentation reviewing the effect of background music in improving work conditions, reducing job fatigue and work monotony, relieving nervous tension, masking machine noises, and stimulating morale. Many banks have adopted "Music While you Work" as an attractive service for both employees and customers. Write to *Muzak Corporation, New York, New York*.



MODERNIZING OFFICE PROCEDURES, by Robert L. Peterson. An abbreviated presentation of basic techniques for improving office methods and procedures. Among other important phases it discusses how to conduct procedure studies and analyses. It outlines evaluating steps and operation. It is issued by the *Business Management Service, College of Commerce and Business Administration, University of Illinois*. Write the *University* at Urbana, ask for Bulletin No. 504.



SECURITIES OF THE UNITED STATES GOVERNMENT—1952 edition. This handbook offers convenient and compact reference for investment officers and others interested in United States Treasury finance. It deals extensively with U. S. Treasury securities, and with obligations of governmental agencies and the International Bank for Reconstruction and Development. Write to *The First Boston Corporation, 100 Broadway, New York 5, New York*.



LUCKY YOU. The annual 1952 edition of street and highway accident data published by *The Travelers Insurance Companies* of Hartford, Connecticut. An interesting fact book for the community-minded banker who wants to publicize a word of warning in behalf of the National Safety Council. It tells the cold facts of what happened and where, and under what circumstances for the appalling toll of traffic accidents. Nothing in the booklet is copyrighted. You are welcome to quote the facts and figures or reproduce the illustrations with or without credit. Send for a copy—*The Travelers, Hartford, Connecticut*.

The OUTLOOK and Condition of Business

(CONTINUED FROM PAGE 33)

In this issue **BANKING** presents a special panel of informed observers who give us their opinions on the near- and long-term outlook in various fields of interest to bankers and business generally.

Intelligent, reasonable confidence and the willingness of business to play this troubled epoch by ear are the dominant notes running through these comments. Only quick glimpses of the picture can be provided by these samples quoted from the thoughtful, concise appraisals presented in the main editorial section.

How Long Will the Cold War Last? . . . We may be as certain as it is possible to be in such matters that the Cold War is not going to change suddenly into total peace. The causes and issues of the Cold War do not depend on the will, good or bad, of a few individuals but on the circumstances of a profound historical crisis. . . . Two great power concentrations face each other across a world in which there exists no balancing third force, that the chiefs of one of these concentrations are determined to achieve a monopoly of world power, and that their way of thought and work and life is incompatible with ours. As a people and as a nation we are not ready to give up either our freedom or our way of life. We shall therefore resist.

. . . the level of domestic rearmament will rise, whether fast or slowly, for an indefinite period.

. . . Neither of the principal opponents seems to want to shift gears into general war. From present indications, we can agree that general war is not probable for the immediate future, though a danger zone will be reached by the latter part of next year.

Bank Earnings. Bank earnings in 1952—both those thus far reported and those in prospect for the balance of the year—should make a favorable comparison with those reported in 1951 and in immediately preceding years.

. . . Since the banking business, like any other business, must be profitable if it is to be a strong and healthy business, the prospect for the restoration of bank earning power to a point which will permit capital additions on practical terms should be a gratifying development not only to bank stockholders and bank management, but to all citizens who believe in our private enterprise system.

Real Estate. The real estate boom has lasted for a longer period than any other in our history, and it is not yet over. It seems to me, however, that the green light is going out and that the amber light is flashing again. The traffic has not yet changed its direction, but from now on the hazard is increasing. During this intervening period every precaution should be taken. This is a period of grace which should be used to get in sound financial condition . . .

Farm Credit. The amount of short-term non-real estate mortgage credit used by farmers will probably

reach a new all-time high in 1952. This is due to the gradually increasing level of production costs, to continued heavy expenditures by farmers for machinery and labor-saving equipment, and to the generally higher level of capital requirements of modern commercial farming. . . .

The present prospect is for a somewhat lower net farm income in 1952 than in 1951. This is due primarily to the higher level of operating costs.

Farmers will undoubtedly undertake to maintain a high level of farm production in 1953. Such a program will again call for a relatively high use of . . . credit.

Government Bonds. . . . The objective now is to restrict the increase in the money supply at least until the possibility of a resurgence of inflationary price rises is definitely eliminated. Hence, instead of providing reserves by buying Government securities, the Federal Reserve is forcing the banks to go into debt to cover their requirements. This will certainly act as a deterrent to the banks in making any but the most necessary loans. Not only that, but a more than seasonal rise in loans might result in lifting the rediscount rate to 2 percent or even more.

Investment Markets. . . . The main question confronting the investment markets in the future, near and far, is that of higher interest rates. It has been a worldwide phenomenon and the U. S. A. has been one of the last major nations to be affected by the trend.

One of the reasons for this development has been the pressure of new funds for investment.

There is some agitation that the United States Treasury should issue inflation-proof securities in order to attract a new market. . . .

Savings Business. . . . The potential thrift of the country is immeasurable. The boundaries of scientific and technical and mechanical progress are being expanded beyond comprehension and all of those advances make for increased savings of time, energy, and material wealth. The long-range outlook for the savings business would seem to be one ever-expanding opportunity. . . .

The savings business will have to adapt itself to an era of debt reduction. . . .

Another probable element in the future of the savings business will be the extension of saving facilities into every nook and corner of the country. . . .

Trust Business. . . . Trust business will not attain its full stature unless or until it is put and kept on a soundly and consistently profitable basis, and it is not yet on that basis and will not be so long as three-fourths of the trust departments of the country still operate in the red.

So long as only 5 percent in number and 10 percent in volume of all estates of deceased persons are settled by trust institutions—and these are the latest available figures—it cannot be said that the trust institution yet is a popular institution. . . .

People are disappointed and, possibly, sometimes alienated by advertisements that brag about trust institutions without telling anything definite about trust service—particularly its nature and cost.

WILLIAM R. KUHN

SEPTEMBER 1952

★ Atlantic City

A.B.A. Convention



Chalfonte-Haddon Hall, two of the 78th Convention hotels.



problem in footage?

Long on expansion? Short on office space? Something's
got to give. Here's one solution...install Monroes.
These convenient, space-saving bookkeeping machines
make every square foot of office floor work harder.
They're so fast, so versatile, so efficient too. They're
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Your Monroe representative will gladly show you
why Monroes are aces for small spaces.
Call him now.



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MONROE CALCULATING MACHINE COMPANY — GENERAL OFFICES, ORANGE, N. J.
Branches for Sales and Service Everywhere

Monroe Bank Bookkeeping Machine

Handles bank's most vital bookkeeping jobs—commercial and savings posting. Easy-to-operate "Velvet Touch" keyboard. Complete visibility. Direct subtraction and automatic totals in all registers. Front insertion carriage, exact printing alignment. Quick program changes.

The 78th Convention

THIS 40-page section of **BANKING** is devoted to the 78th annual convention of the American Bankers Association, which takes place at Atlantic City, New Jersey, September 28-October 1, under the presidency of C. Francis Cocke, president of The First National Exchange Bank of Roanoke, Virginia.

The section includes pictures of the men who, as heads of the Association's divisions, commissions, councils and committees, have directed A.B.A. affairs during the past year. There are also the convention program, stories about Atlantic City, a review of the Association's seven previous annual meetings there, and a preview of the educational displays of bank equipment and services at Convention Hall where the general sessions will take place. Registration will be handled in that building also.

The map at the right spots the hotels, on or near the Boardwalk, where the delegates will be staying.

The aerial photograph below features Convention Hall.



Association Leaders



President
C. FRANCIS COCKE
President, The First National Exchange Bank
Roanoke, Virginia



Vice President
W. HAROLD BRENTON
President, State Bank of Des Moines
Des Moines, Iowa

Treasurer
WILLIAM B. GLADNEY
President, Fidelity National Bank
Baton Rouge, Louisiana



Executive Manager
HAROLD STONIER
Director, The Graduate School of Banking
New York, New York





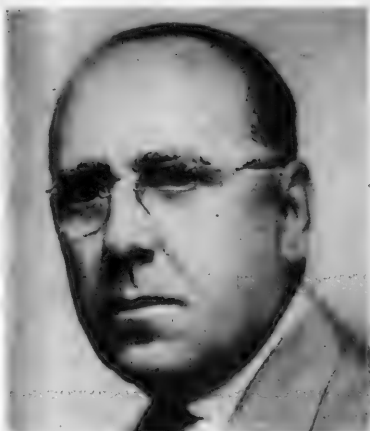
CHARLES H. BUESCHING
President, National Bank Division
President, Lincoln National Bank & Trust
Co., Fort Wayne, Indiana



JOSEPH EARL PERRY
President, Savings and Mortgage Division
President, Newton Savings Bank
Newton, Massachusetts



GUY STURGEON
President, State Bank Division
President, Bank of Commerce
Sheridan, Wyoming



JOSEPH W. WHITE
President, Trust Division
Vice-president, Mercantile Trust Company
St. Louis, Missouri



JOSEPH E. HUGHES
Chairman, Board of Regents, The
Graduate School of Banking; President,
The County Trust Co., White Plains, N. Y.



MARTIN J. TRAVERS
President, American Institute of Banking
Vice-president, The Marine Midland Trust
Co. of Western New York, Niagara Falls



ALBERT L. MUENCH
President, State Association Section
Secretary, New York State Bankers
Association, New York, New York



W. W. CAMPBELL
Chairman, Agricultural Commission
President, National Bank of Eastern
Arkansas, Forrest City, Arkansas



JAMES H. KENNEDY
Chairman, Bank Management Commission
Vice-president and Cashier, Philadelphia
National Bank, Philadelphia, Pennsylvania



FRED I. KENT
Chairman, Commerce and Marine Commission; Director, Bankers Trust Company
New York, New York



RICHARD W. TREFZ
Chairman, Country Bank Operations Commission; President, Arkansas Valley Bank
Pueblo, Colorado



FRED F. FLORENCE
Chairman, Credit Policy Commission
President, Republic National Bank
Dallas, Texas



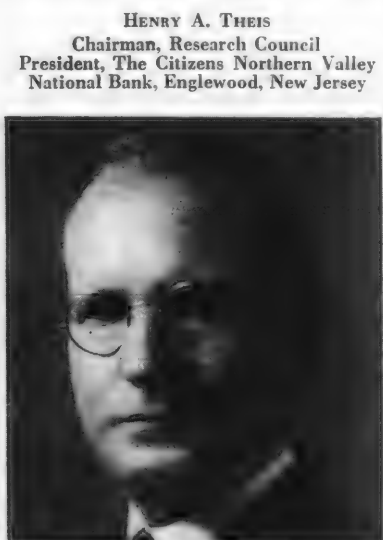
W. RANDOLPH BURGESS
Chairman, Economic Policy Commission
Chairman, Executive Committee, The
National City Bank, New York, New York



EVERETT D. REESE
Chairman, Small Business Credit Commission; President, Park National Bank
Newark, Ohio



ROBERT LINDQUIST
Chairman, Public Relations Council
Vice-president, LaSalle National Bank
Chicago, Illinois



HENRY A. THEIS
Chairman, Research Council
President, The Citizens Northern Valley
National Bank, Englewood, New Jersey



W. L. HEMINGWAY
Chairman, Advisory Committee on Special
Activities; Chairman, Executive Committee,
Mercantile Trust Co., St. Louis, Mo.



PAUL M. WELCH
Chairman, Instalment Credit Commission
Vice-president, The Citizens & Southern
National Bank, Atlanta, Georgia



C. EDGAR JOHNSON

Chairman, Committee on Federal Depository Functions and Fiscal Procedures
Vice-president, First National Bank
Chicago



RUDOLPH E. REICHERT

Chairman, Federal Legislation Committee
President, Ann Arbor Bank
Ann Arbor, Michigan



FRANCIS MARION LAW

Chairman, Foundation for Education in Economics; Chairman, First National Bank
Houston, Texas



ROBERT V. FLEMING

Chairman, Government Borrowing Committee; President, The Riggs National Bank
Washington, D. C.



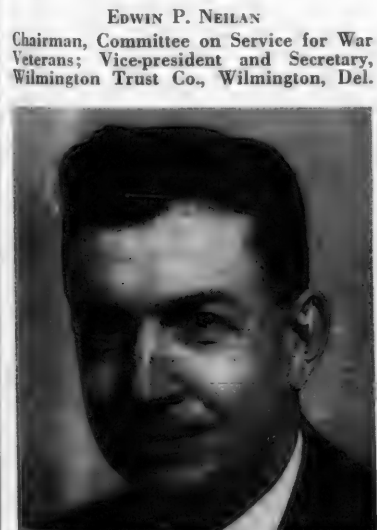
HARRY F. HARRINGTON

Chairman, Insurance and Protective Committee; Vice-president, The Boatmen's
National Bank, St. Louis, Missouri



T. J. O'BRIEN

Chairman, Organization Committee
Vice-president, Second National Bank
Houston, Texas



EDWIN P. NEILAN

Chairman, Committee on Service for War Veterans; Vice-president and Secretary,
Wilmington Trust Co., Wilmington, Del.



SHERMAN HAZELTINE

Chairman, State Legislation Committee
President, The Bank of Arizona
Prescott, Arizona



H. FREDERICK HAGEMANN, JR.

Chairman, Treasury Savings Bonds Committee; President, Rockland-Atlas National
Bank, Boston, Massachusetts



The Atlantic City skyline

Convention Town!

JOHN L. COOLEY

IT was hot on the Boardwalk. Your correspondent's personal survey of potential Miss America material had led him to great Convention Hall, and he decided to continue his appreciative inspection from the shade of that building's generous portico. Leaning against the comforting advertisement of an ice carnival, he read on a nearby office window: "City Press Bureau, Atlantic City, N. J."

Looking down the beach from the Central Pier



CHARLES THIELPS CUSHING

Now, the conscientious reporter shuns press agents; he digs up his own stories. But the afternoon was very warm, the stroll on "the nation's promenade" had been fatiguing, and even the pleasant appraisal of American beauty had begun to pall, so . . .

BANKING presented a business card to the young lady at the Bureau's first desk. She smiled sweetly and said, "You want to see Mall Dodson. I'll call him." Then, trilling a cute song that started "The bankers are coming," she went to find her boss.

Mr. Dodson (six feet seven inches of him) arrived in sport shirt and slacks. His greeting was short, direct, professional.

"You look," he said, "like a reporter in search of a story. It just happens—what a coincidence!—that we have a story in search of a reporter."

Making a magnificent gesture toward Boardwalk, beach, and ocean, he continued: "There, I suppose, is raw material for a fabulous yarn—business in pleasure."

"But that's old stuff," protested your correspondent. "Everybody's written about it. Come clean, now. Give us the low down. What's new?"

Mr. Dodson smiled. "Atlantic City," he said quietly but emphatically, "is always new, always young, always exciting. The story," he added, with a sharp glance at this reporter, "is what you make it."

Your correspondent had been doing some fast thinking.

"The story," he observed, returning Mr. Dodson's penetrating glance, "is ocean promotion?"

Atlantic City's press representative beamed. "That," he exclaimed, "is a swell line. 'Ocean promotion!'" For a moment Mr. Dodson was lost in reverie. But only for a moment. "Of course," he resumed, "you can't sum us up in a phrase, be it ever so nimble. Atlantic City is

more than the mere capitalization of sea, sand, sky, and kindly temperature. It is Health, Happiness, and Leisure for 15,000,000 people annually. Quite parenthetically—we don't like to appear commercial—they left \$786,000,000 in our humble town last year. And \$12,000,000 during the Fourth of July weekend. Not bad?"

"Not bad," agreed BANKING. "But, getting down to brass tacks, isn't Atlantic City conventions, big hotels, salt water taffy, rooming houses, bathing beauties, celebrities, restaurants, pageants, fashion parades, and a dash of honky-tonk?"

"More than that—much more," said Mr. Dodson, waving our amendment out of order. "But perhaps you'd like to see for yourself. Shall we go?"

OUTSIDE, the City Press Bureau (how many other municipalities have that office?) hailed a rolling chair. "We shall talk and observe as we ride," the director declared. "But may I first call your attention to some basic facts about Atlantic City?"

"Just a minute," interrupted BANKING. "How come it's so hot here today?"

Mr. Dodson laughed. "A bit warmish, to be sure. But a Florida press agent who stopped by yesterday was practically shivering. Poor fellow, he wanted to borrow my topcoat. Couldn't understand how we endure such a climate."

Well, the Boardwalk thermometers were reaching for 100 at the moment, and your correspondent knew from experience that the previous day had been no cooler. These publicity men!

"You know, of course," continued Mr. Dodson, with the hesitancy habitual to publicists, "that Atlantic City is built on Absecon Island which is about five miles from the mainland; that the Boardwalk is eight miles

After dark, Atlantic City looks like this. Several of the big boardwalk hotels, including the Marlborough-Blenheim, Dennis, Claridge, and Shelburne, are visible



A view across the Boardwalk. Note that the herringbone pattern gives the illusion that the walk is on four levels. (It isn't!)

long; that the beach is one of the world's largest (the world's, mind you) and is 100 to 300 yards wide; that its gentle slope avoids dangerous shelving; that the Convention Hall Auditorium seats approximately 40,000 and can house a full-fledged football game; that

There's commercial fishing off the beach. Here the catch is being brought to the sorting box on one of the large piers as visitors watch





An air view of the city and the beach

our hotels offer nearly 30,000 rooms and our rooming houses 12,000 more; that we have 500 restaurants exclusive of the hotels'; that our skyline is second only to Manhattan's for breath-taking grandeur; that we have four golf courses and a \$4,500,000 race track?

"And you know, too, that we are a year-round resort, favored by cooling summer breezes (AWOL today), benign weather in winter?"

Mr. Dodson, who was warming up after a slow start, paused to note the effect of his recital. Apparently satisfied, he continued:

"And in late September and early October, when the bankers will be with us, we are at our glorious best. Indian Summer and the Convention Season are at hand, the vacationers have all but departed, and Atlantic City belongs to that familiar American—bless him—the delegate. Lucky bankers, to be in Atlantic City in the early autumn!"

This was good stuff, and BANKING eased back in the perambulator, listening, and looking. The beach,

smothered with canvas chairs, cabanas and bathers, extended from the walk's edge to the playful surf, which was moving in for a look at those 1952 bathing suits. On the other side of the promenade the hotels with their varied architecture, and the rows of shops broken by an occasional movie, restaurant or taffy stand, were reminders that the distribution of "health and happiness" to the American people was indeed big business.

But Mr. Dodson was lecturing again, softly, persuasively:

"We are now," he crooned, "passing the Gold Coast. Note the shops: furs, diamonds, rugs, sport jackets, prints, draperies, shoes, cameras, jewelry, lingerie, millinery . . ."

Mr. Dodson was fast becoming a reasonable facsimile of an elevator operator calling off the floors in a big department store.

". . . books, china, haberdashery, antiques, silver, linens, pictures, toys, sweaters, dresses, kerchiefs."

BANKING caught the idea and spelled him, contributing some of the homelier items offered the hungry and adventurous stroller:

"Franks, fudge, waffles, frozen custard, ferris wheels, merry-go-rounds, guess-your-weight, aquarium, bingo . . ."

"But please note," requested Mr. Dodson, "that the Boardwalk is really most dignified. The honky-tonk you mentioned is inconspicuous, modest, inoffensive; it's concentrated largely on the piers—Million Dollar, Steeplechase, Central, Steel, et al. After all, what mechanical pleasures can compete with the fun of lolling on the world's finest white sand or inhaling the healthful breath of the noble Atlantic?"

"The people are interesting, too," commented BANKING. And they were, indeed. Listen to these snatches of conversation:

"With the lawyers and everything, his divorce cost \$15,000."

"Yes, son, that drug store is just like the one back home."

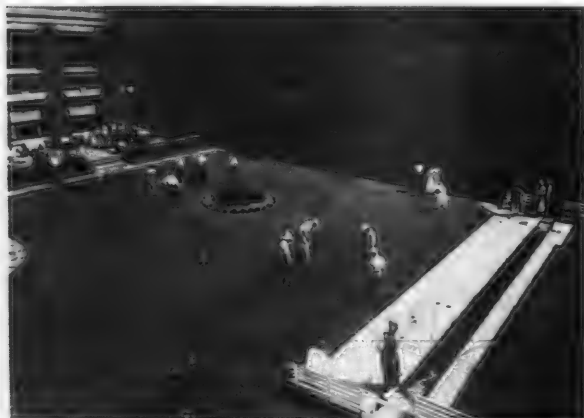
"There she was, strutting down the Boardwalk, dressed fit to kill."

"Mommie, I'm sleepy."

"If I'd rolled that last ball a little harder . . ."

"All right, lady, you weigh . . . 157. Right? Right."

Sports on the terrace of the Chalfonte



Atlantic City has a \$4,500,000 race track



"Well, I'm not interested in a five-year contract and I told them so."

"I think, dear, that our hotel is down this way."

"Joe! Haven't seen you, in a dog's age!"

People, people, people—businessmen, matrons, school teachers, dowagers, taffy-chewing children, clergymen, workmen, families from Iowa, Oregon, Texas, Vermont . . . and on the beach a hundred thousand gay bathing suits.

The pushed-cart halted at the Central Pier while the pusher rested. This structure houses, among other things, the Convention Bureau, guide, philosopher and friend to the hundreds of organizations, large and small, that hold their conventions in Atlantic City. ("We get about 300 a year," reported Mr. Dodson, "and they range from sorority reunions to the nation's largest business organizations.") The Bureau was established in 1908 after the city, notably its hotel men, had discovered "a dire need for an organization to promote convention business."

Just the year before the American Bankers Association had held its 33rd convention on old Young's Pier, and the success of this meeting (one of Atlantic City's first important gatherings, if not *the* first) pointed to a new line of business.

As the chair resumed its roll BANKING asked Mr. Dodson: "What about Atlantic City's private life?"

"Our lives," he said, gallantly, "are at the service of the American people. We live to make them happy."

No industries? Well, a few—men's clothing, ceramics, hosiery, mail order. But no heavy stuff. Atlantic City doesn't want smoke!

And the banks? There are three: the Boardwalk National, the Guarantee National Bank and Trust Company, the Ventnor City National. Forty-five percent of their business comes from the summer trade—that is, in July and August, when the city is taken over by the vacationers. Deposits rise then; on the other hand,

Convention Hall: registration, general sessions, and educational displays



September 1952



Atlantic Avenue, a principal business street

loans go up during the winter. Business credit is on a 10-month basis.

Local clearings last year were \$112,000,000 a figure that obviously does not include the check receipts of the hotels. These substantial sums are sent directly to the bank's Philadelphia correspondents.

Atlantic City is essentially a small town. Its 1950 population was 61,000, a decrease of about 5,000 from the 1930 figure. The trade area includes several small residential communities.

But you don't go to Atlantic City to collect a batch of statistics, so BANKING asked Brother Dodson about salt water taffy. He smacked his lips.

"Each midsummer day," he said, "approximately 25,000 one-pound packages of this confection—you might say this *delicious* confection—are mailed by visitors to the fortunate folks back home; another 25,000 delectable pounds are consumed right here by the sounding sea which accidentally gave our inimitable candy its simple start." [Mr. D.'s adjectives were blooming.]

For taffy, you see, is the child of a nor'easter. Back in 1883 one David Bradley had a candy kitchen on the Boardwalk. When he straightened up his place the day after a big storm, much of the taffy was damp. A little girl came to buy and Bradley told her, "It's salt water taffy today." The child spread the word—and Atlantic City had a new business.

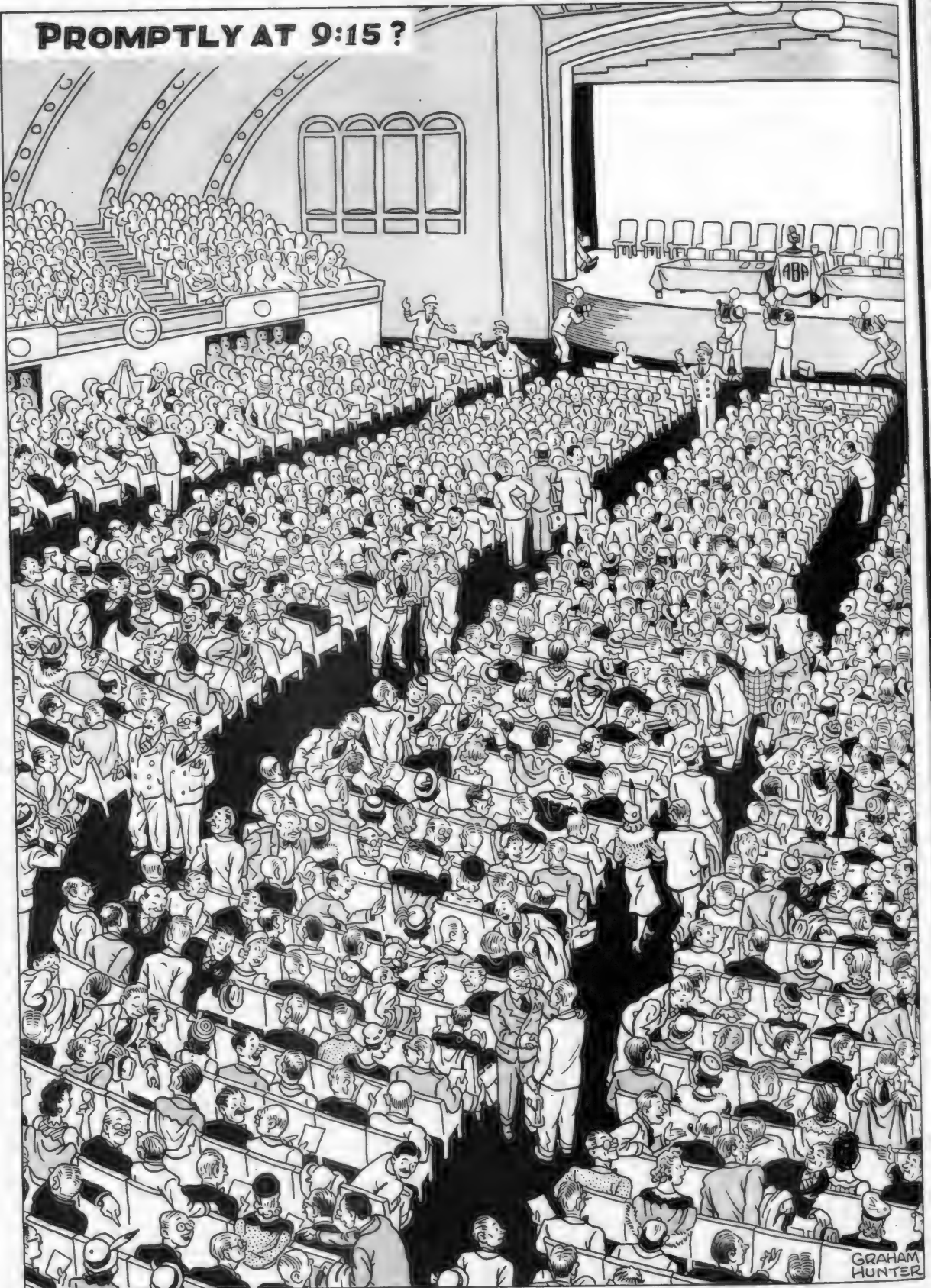
MR. DODSON is a pleasant companion, and when the sight-seeing journey ended at his office your correspondent thanked him.

"Think nothing of it," he said, "Nothing at all." He was silent a second, then added:

"Far be it from me to suggest how you write your story, but a good punch line for its conclusion has just occurred to me: How about: 'When better conventions are held, the A.B.A. will hold them—at Atlantic City of course.'"

Well folks, there it is!

PROMPTLY AT 9:15 ?



The Convention Program

OUTSTANDING leaders in government, industry, education, and banking will speak at the 78th Annual Convention of the American Bankers Association to be held at Atlantic City, September 28 to October 1. The advance Convention program was made public by C. Francis Cocke, president of the Association and of The First National Exchange Bank of Roanoke, Virginia. It is expected that more than 6,000 bankers and their wives will attend the big national meeting as guests of New Jersey banks.

Speakers

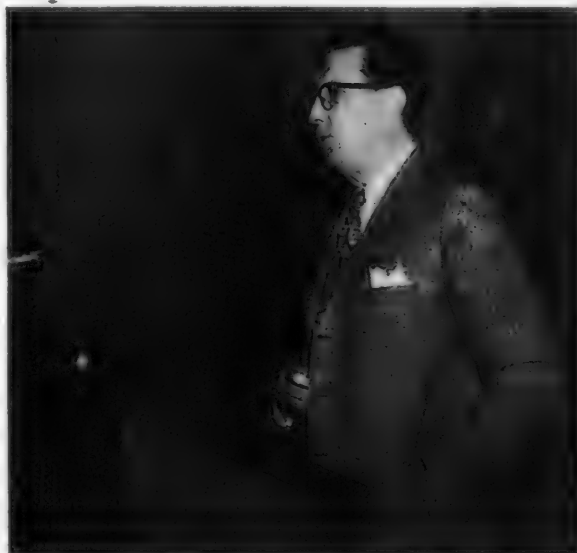
Among the nonbanker speakers at general and divisional sessions of the Convention will be U. S. Senator A. Willis Robertson, Lexington, Virginia; Walter E. Hoadley, Jr., economist, Armstrong Cork Company, Lancaster, Pennsylvania; Preston Delano, Comptroller of the Currency, Washington, D. C.; Alexander Chmielewski, state bank commissioner, Providence, Rhode Island, and president this year of the National Association of Supervisors of State Banks; and Dr. T. V. Smith, professor of poetry, politics, and philosophy at the Maxwell Graduate School of Citizenship and Public Affairs of Syracuse University, Syracuse, New York.

Besides A.B.A. President Cocke, there will be addresses by leading bankers at Convention sessions. Among them will be Joseph M. Dodge, president, The Detroit Bank, Detroit, Michigan, a former president of the A.B.A. who performed distinguished services for the United States during the war and postwar years in Austria, Germany, and Japan; and Robert M. Hanes, president of the Wachovia Bank and Trust Company, Winston-Salem, North Carolina, and former Chief of Mission to the Economic Cooperation Administration in Belgium and Luxembourg, later head of the ECA in Western Germany and economic adviser on the staff of the United States High Commissioner.

Arthur M. Mueller



Elwood F. Kirkman



President C. Francis Cocke

Arthur M. Mueller, vice-president of The Trust Company of New Jersey, Jersey City, and president of the New Jersey Bankers Association, and Elwood F. Kirkman, past president, NJBA, and president, Boardwalk National Bank, Atlantic City, are chairman and vice-chairman, respectively, of the cooperating committee of the New Jersey banks, which will be hosts to the nation's bankers.

Convention Hall

Activities of the Convention will be centered at Atlantic City Convention Hall, where the general sessions, registration, the educational displays, and entertainment features will be held.

The Convention will open on Sunday, September 28, with the annual meetings of the A.B.A.'s commissions, committees, and councils, which are the Association's working machinery.

Entertainment

As usual, there will be the Sunday afternoon reception and tea, which in past years has been a popular get-acquainted feature of the first day of the Convention.

On Sunday evening, registered delegates will be entertained by member banks of The Philadelphia Clearing House Association at a concert in Convention Hall by the Philadelphia Orchestra under the direction of Eugene Ormandy.



A. Willis Robertson



Preston Delano



Joseph M. Dodge



T. V. Smith

On Monday noon, the Association will be host to the wives of registered delegates at a ladies' luncheon and fashion show produced and staged by John Wanamaker of Philadelphia and New York.

For the registered delegates, an unusual musical treat has been planned for Tuesday evening. It will be a program featuring such stars as Lauritz Melchior, the distinguished tenor; baritone Robert Merrill; and soprano Marguerite Piazza, famous stars of Metropolitan Opera as well as radio and TV.

Divisional Meetings

Monday, September 29, will be devoted to the annual meetings of the four A.B.A. Divisions—the State Bank, National Bank, Savings and Mortgage, and Trust. Annual elections of the Division officers will be held at these sessions, all of which will be at Haddon Hall.

Agricultural Breakfast

A traditional feature of the Convention is the breakfast meeting of the A.B.A.'s Agricultural Commission. This year's Agricultural Breakfast will be in the Vernon Room at Haddon Hall on Tuesday morning, September 30, at 8 o'clock. Dr. Lewis Webster Jones, president of Rutgers University, New Brunswick, New Jersey, will be the speaker.

General Sessions

The two general sessions of the Convention will be held on Tuesday morning, September 30, and Wednesday morning, October 1, in the ballroom of Convention Hall. At the Wednesday meeting, officers of the Association for 1952-53 will be elected and installed.

The program for the Convention follows:

Business Sessions

Savings and Mortgage Division

Haddon Hall, Rutland Room—10 A.M.
Monday, September 29, 1952

Address of the President—"Banking and the World Around Us"—by Joseph Earl Perry, president, Newton Savings Bank, Newton, Massachusetts.

"Banking on Youth"—by Frank M. Totton, vice-president, The Chase National Bank, New York.

State Bank Division

Haddon Hall, Vernon Room—10 A.M.
Monday, September 29, 1952

Address of President Guy Sturgeon, president, Bank of Commerce, Sheridan, Wyoming.

Address by Alexander Chmielewski, bank commissioner, Providence, Rhode Island, and president, National Association of Supervisors of State Banks.

"Bank Management," by Robert M. Hanes, president, Wachovia Bank and Trust Company, Winston-Salem.

National Bank Division

Haddon Hall, Vernon Room—2 P.M.
Monday, September 29, 1952

Frank M. Totton



Robert M. Hanes



Walter E. Hoadley, Jr.



H. F. Hagemann, Jr.





Lewis W. Jones



Alexander Chmielewski



Samuel C. Waugh



Jay Knox

Address of President Charles H. Buesching, president, Lincoln National Bank and Trust Co., Fort Wayne, Indiana.

Address by the Honorable Preston Delano, Comptroller of the Currency, Washington, D. C.

"The Year Ahead" by Walter E. Hoadley, Jr., economist, Armstrong Cork Co., Lancaster, Pennsylvania.

"Bank Management Problems in This Defense Economy," by H. Frederick Hagemann, Jr., president, Rockland-Atlas National Bank, Boston, Massachusetts.

Trust Division

Haddon Hall, Viking Room—2 P.M.

Monday, September 29, 1952

Call to Order by Joseph W. White, president, Trust Division, and vice-president, Mercantile Trust Co., St. Louis, Missouri.

Greetings by Jay Knox, chairman, trust committee, New Jersey Bankers Association, and trust officer, First Camden National Bank and Trust Co., Camden.

Address of President White.

"The Olympics—and the Trust Business," by Samuel C. Waugh, president, First Trust Company, Lincoln, Nebraska.

First General Session

Convention Hall, Ballroom—9:15 A.M.

Tuesday, September 30, 1952

Call to Order by C. Francis Cocke, president, American Bankers Association, and president, The First National Exchange Bank, Roanoke, Virginia.

Invocation by Brigadier James Henderson, Salvation Army, Atlantic City.

Address of President Cocke.

Address by The Honorable A. Willis Robertson, United States Senator, Lexington, Virginia.

Second General Session

Convention Hall, Ballroom—9:15 A.M.

Wednesday, October 1, 1952

Call to Order by President Cocke.

Address by Joseph M. Dodge, president, The Detroit Bank, Detroit, Michigan.

Address by T. V. Smith, professor of poetry, politics, and philosophy, Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University.

Report of Resolutions Committee; report of Nominating Committee and election of officers; and inauguration of officers.

Two of Atlantic City's extracurricular attractions

The Boardwalk



The Beach



PHOTOS BY CHARLES PHELPS-CUSHING

An Atlantic City Scrapbook

The pictures illustrating this article are from the extensive collection of old Atlantic City views owned by PAUL C. BURGESS, vice-president of the Chelsea Title & Guaranty Company, Atlantic City. MR. BURGESS generously allowed BANKING to reproduce his treasures.



Here's the first Boardwalk!



ATLANTIC CITY observes its centennial in 1954. Celebrating simultaneously the "Golden Jubilee of Light" in cooperation with Edison Institute, the famous resort on sandy Absecon Island off the south Jersey coast is planning a festival that will probably include a pagant recreating its history.

Let's go into the records for a quick sampling of the Atlantic City story. Our report needn't be chronological, so we'll start with the story of a man named Jake.

Jake's Walk

In the 1860's and '70's Jake Keim operated a small hotel in the "light-

house" section of Atlantic City. The beach had been cleared of cumbersome sand dunes, and the unobstructed tides ebbed and flowed across the marshlands that were Jake's dooryard. His guests weren't particularly enthusiastic about this intimate, soggy contact with nature;

(CONTINUED ON PAGE 184)

Sideburns, umbrellas, and pre-Gay Nineties costumes out for a Boardwalk stroll in 1885





Above, a fashion parade in the late Eighties. Below, Young's Pier (1890) where the American Bankers Association conventions of 1907, 1917 and 1923 were held





In 1900 the Boardwalk was 41 feet wide; today it's 60. Tomorrow, who knows? This view shows part of the old Steel Pier, right

(CONTINUED FROM PAGE 182)
some complained, some refused to pay their bills.

Jake, worried, gave the problem serious thought. If only a walk could be built . . . What an idea! Jake talked it over with the city fathers who appropriated \$5,000 for a one-mile wooden pavement, eight feet wide, to span the sands. Four people could walk abreast on it.

That boardwalk—a rank amateur compared with today's world-famous plank promenade—began business on June 26, 1870.

The Councilmen were cautious as well as progressive. Realizing that the winter storms and tides would handle the walk roughly, they had it built in eight-foot sections. Each

autumn the segments were unhooked and stored in a convenient barn until spring. Every Atlantic City budget from 1870 to 1879 carried this item: "To rent of barn for storing Boardwalk, \$17."

A Sand Patch Becomes a Resort

A HUNDRED years ago some far-sighted people, including a few Philadelphians, thought the island would make a good summer spot. Others disagreed, among them a conservative gentleman who said: "Call it a sand patch, a desolation, a swamp, a mosquito territory, but do not talk to me about any city at such a place as that. In the first place, you could not build a city there, and

in the second place, you could not get anybody to go there."

The development plan, of course, went ahead anyway, and in 1852 and 1853 the pioneers on the island set to work to organize a community. A map of the proposed town was drawn, and it was suggested that the place be called Atlantic City.

In April 1853 the first hotel—the United States—was started, the next month wide streets were laid out, and in April 1854 the New Jersey Legislature incorporated the city. The first railroad came that year, too, replacing the stage coaches.

Ocean bathing was popular in those days, and travelers to the new playground read, in terminals and way-stations, posters calling atten-

Gay wolf on the beach—shall we say about the turn of the century?



tion to the warm water and the boarding house facilities.

The man who foresaw the town's potentialities as a resort was Dr. Jonathan Pitney. To him Atlantic City gives credit for bringing to the nation's attention the benefits of sandy Absecon's location and climate.

Some Early History

HENRY HUDSON stopped at this shore in 1609. In 1677 the Queen of England's physician, Dr. Daniel Coxe, joined several other gentlemen in buying, for 1,250 pounds sterling, the land known today as Atlantic County, which includes Absecon Island. What the purchasers did with their real estate is obscure, but in December 1692 the doctor wrote the owner's agent, Jeremiah Passe, that he was to "sell none of ye land that lies convenient for whale fishing until you hear further from us, for that we will not sell."

Pirates used the island as a hide-

out, and during the American Revolution it sheltered AWOLs from the Continental Army.

In 1804 a mainlander named Jeremiah Leeds, who knew the spot as a fisherman and hunter, bought some of the land; 12 years later he had title to a substantial part of it. Leeds raised cattle and grain, and sold supplies to the captains of vessels during the War of 1812. His first house was a log cabin on the site of the present railroad station.

Convention Hall

FOR the sharpest possible contrast to Leeds' rustic abode, look at Convention Hall, the world's largest meeting place. Its Auditorium holds approximately 40,000 persons; if you're going to have a smaller meeting, the Ocean Ball Room will take care of 5,000, or maybe one of the 24 smaller rooms, seating 200 to 600, will do. The A.B.A.'s two general sessions take place in the ball room.

Located on the Boardwalk, Con-

vention Hall opened in 1929 with a gathering of the Edison Institute. The Auditorium's largest assemblage was the 1934 triennial convention of the Protestant Episcopal Church when 38,000 people sat there.

When it isn't being used for meetings this architectural mastodon can be transformed into an ice-skating rink, a football gridiron, a polo field, or a steeplechase course.

Beauty Champs

Too bad, bankers, but you'll miss the Miss America Pageant, which comes just after Labor Day. This annual event started in 1921 as a "Bathers' Revue," with 12 girls taking part. Now the show is a national event in which representatives of each state and key cities compete. The Pageant has a \$25,000 scholarship fund for financing the educations of 16 contestants.

Now turn the page for a story about the Association's previous conventions in Atlantic City.

A busy day. The building at the right advertises a popular cyclorama of the Johnstown Flood



Atlantic City Convention Almanac

ON SEVEN previous occasions Atlantic City has played host to the convention of the American Bankers Association. The first was in 1907—and this was one of the first really important, big conventions to come here.

The bankers came in large numbers. Delegates registered from every state save two (Nevada, North Dakota), although two of the “states” listed had not yet been admitted to the Union (Arizona, New Mexico). The delegates came also from the District of Columbia, from Indian Territory, Hawaii, Canada, Cuba.

One speaker, Herr Moritz Leiffmann, came from Dusseldorf to represent the German bankers association, and addressed the convention in his native tongue. August Blum, vice-president of the First National Bank, Chicago, translated the speech and received the convention’s thanks.

M. E. Ingalls, president of Merchants’ National Bank, Cincinnati, sounded a warning note to the bankers. With people everywhere singing of prosperity, Mr. Ingalls pointed to the big stock losses in Wall Street and declared that bankers could no more afford to ignore these portents than a seaman could ignore his barometer. This was just about three weeks before the eruption of events which became the Panic of 1907.

The young American Institute of Bank Clerks was discussed and great things were prophesied for the organization. But the bankers in 1907 could scarcely foresee the present American Institute of Banking with its more than 93,000 members!

THE second visit of the A.B.A. to Atlantic City was in 1917. As might be expected, World War I and the Second Liberty Loan came up for discussion in every meeting. Secretary of the Treasury William Gibbs McAdoo was on hand to remind the bankers that war required plenty of financing.

It was an interesting and varied program at that 1917 convention. Britain’s Lord Northcliffe added an international flavor. Columbia University’s Dr. Nicholas Murray Butler provided oratorical fireworks. And a feature of the entertainment was a tango contest for delegates at Young’s Million Dollar Pier.

WHEN the A.B.A. came again to Atlantic City in 1923, it was for a “convention of clarification.” Much had happened since the last meeting here in the fall of 1917. The war had been won. The 1920-21 crisis was over and times were pretty good again.

President Calvin Coolidge sent a message, typical for

Atlantic Avenue, the city’s main business street, in 1907



PAUL C. BURGESS COLLECTION

its brevity: “I congratulate your Association on its strength and high standing and wish you prosperity and success.”

The convention discussed many domestic affairs, debated the merits of the Federal Reserve System, and passed a lengthy “Declaration of Principles.” Business conditions were the best of any time since the United States entered the war. While the convention was in session, a new chapter of the A.I.B. was organized at Atlantic City. And a woman, Mrs. Helen M. Brown of Michigan, was named president of the State Secretaries Section of the A.B.A.

JUST two years later came the Golden Anniversary Convention in Atlantic City. It was at this meeting that the bankers subscribed \$468,000 as “an investment in good deeds.” The money was used to set up an Educational Foundation to provide scholarships in American colleges and universities for deserving students. It was the sense of the convention that the money was subscribed “for the preservation of clear thinking.”

By 1925 the bankers had decided how they felt about the Federal Reserve System. The delegates voted to memorialize the Congress to extend the charter “in perpetuity or for a ninety-nine year period.”

IN 1931, the convention in Atlantic City was concerned with depression, unemployment, bank failures. The big topic was President Hoover’s plan for the bankers to form an emergency credit corporation with \$500,000,000 to rediscount banking assets not eligible at the Federal Reserve banks, thus insuring liquidity and enabling banks to carry on without restriction of credits or sacrifice of assets.

THE Atlantic City Convention years were certainly eventful. Came 1940 with the war abroad; Selective Service at home. The Association had risen to a new high in membership, representing 83 percent of all banks in the country.

This was another war convention. The bankers met with great seriousness of purpose.

IN 1947 the big question was how much foreign aid there should be. The Convention’s clarion call was one that certainly must have been heard on other occasions: “The Government debt must be reduced!”

THEODORE FISCHER

Atlantic City

BOARDWALK

*It is, of course, a sacrilege
To saunter at the nation's edge
In idle chatter when the view
Provides the eyes so much to do.*



HOTELS

*I hardly think that you should call
The Boardwalk inns hotels at all,
But Neptune mansions where you bide
The rising of the sun and tide.*



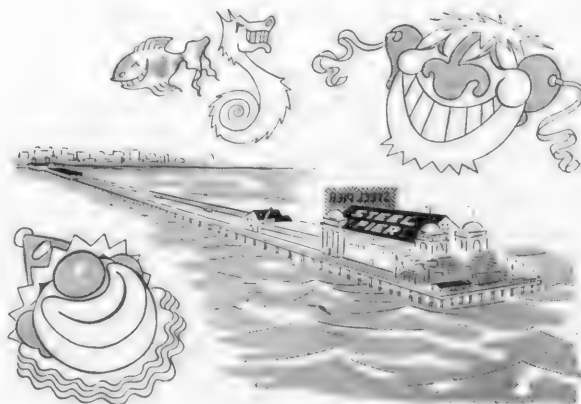
MISS AMERICAS

*I like to watch old Ocean reach
For sportive sun-fans on the beach.
He gives them a paternal pat—
(You couldn't get away with that!)*



CONVENTION HALL

*A score of country banks, we're told,
The Auditorium could hold.
But it will never have to, so
I don't suppose we'll ever know.*



SIGHTSEEING

*The big Steel Pier is unafraid—
It doesn't hesitate to wade
And meet half way the coming sea,
Beyond the depths of you and me.*

J.L.C.

New Orleans's Splendid Hospitality to the Bankers

By Eleanor Franklin

NEVER, PERHAPS, in the history of this country has there been a more marked display of real American hospitality than that which distinguished the recent convention in New Orleans of the American Bankers' Association. The charming Crescent City was gayly decked in bunting, flags, and banners, all proclaiming a hearty welcome to the delegates. During the three days of the meeting everything was done that could be done to make the occasion memorable to the distinguished visitors. The convention met in Tulane Hall on Tuesday morning, November 11th, and after three days devoted to business discussion and the election of new officers, adjourned to meet again presumably in San Francisco next autumn.

During the session able and interesting addresses were delivered by President Myron T. Herrick on general financial conditions; by Comptroller of the Currency W. B. Hildreth on changes in banking conditions; by President J. C. Brown, of the Citizens' National Bank, of Raleigh, N. C., on "The New South"; by Vice-President Johnston, of the Marine National Bank, of Milwaukee, on the Scottish system of branch banking, and by many others. Congressman Fowler, of New Jersey, author of the Fowler banking bill, now pending in Congress, led a spirited discussion on branch banking. On Wednesday night the bankers of New Orleans entertained the visiting bankers and their families at an elaborate banquet in the beautiful

banquet-hall of the New St. Charles Hotel, which had been magnificently decorated for the occasion. The whole city was decked in honor of the bankers with flags and bunting, and presented a charming appearance. The beautiful Crescent City was pervaded by an atmosphere of true Southern hospitality. It prevailed everywhere and made the bankers' convention in New Orleans one of the most enjoyable gatherings ever held by that splendid organization of representative financiers.

The convention adjourned at one o'clock on Thursday, the 13th, and the bankers, with their wives and daughters and visiting friends, went at once to the steamboat landing at the foot of Canal Street, where the Mississippi steamboat *Chalmette* was waiting, all decked with bunting, to take them for a twenty-mile trip down the river to a large sugar plantation, where the delegates could get an idea of the manufacture of Louisiana sugar through the various interesting processes from the cane-field to the table. The saloon of the steamboat was set with a long banquet table beautifully decorated, which made an attractive feature for the two thousand hungry excursionists, embracing the bankers and their friends. Everybody was in good humor, and the flow of Mout & Chandon's "White Seal" was continuous and unlimited. The people of New Orleans, true to their reputation for hospitality, had spared nothing to make the entertainment one of the most elaborate ever given by the city to a visiting delegation, and the little outing was one long to be re-

membered by everybody fortunate enough to be aboard. The trip back to New Orleans was made under the "old Southern moon" that seemed to smile upon the broad Mississippi with unusual brightness and beauty. The orchestra stationed on the deck filled the still air with the sweet strains of old Southern melodies, and there could have been no one present who did not feel the subtle charm of a scene set amid such faultless surroundings. As the boat rounded toward the wharf and while every one was experiencing a vague regret that such a happy time must come to an end the orchestra started the sweet strains of "Home, Sweet Home," and the dear old song was taken up by every man and woman aboard. It is a beautiful fact that the full round chorus was fraught with a tremor something akin to tears. After the enthusiastic burst of applause which followed this bit of sentiment " Dixie Land" was given, and the chorus came out of Northern throats with as much enthusiasm as from the lungs of the warm-blooded Southern delegates.

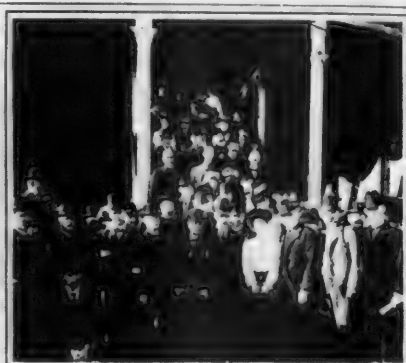
The special photographer of LESLIE'S WEEKLY accompanied the excursion and succeeded in getting the only pictures taken of the bankers while they were in New Orleans. Some of these photographs appear in this issue. Others will be found in the next number of LESLIE'S WEEKLY, which will be devoted largely to some of the most interesting features of our most charming and picturesque of all our Southern cities.



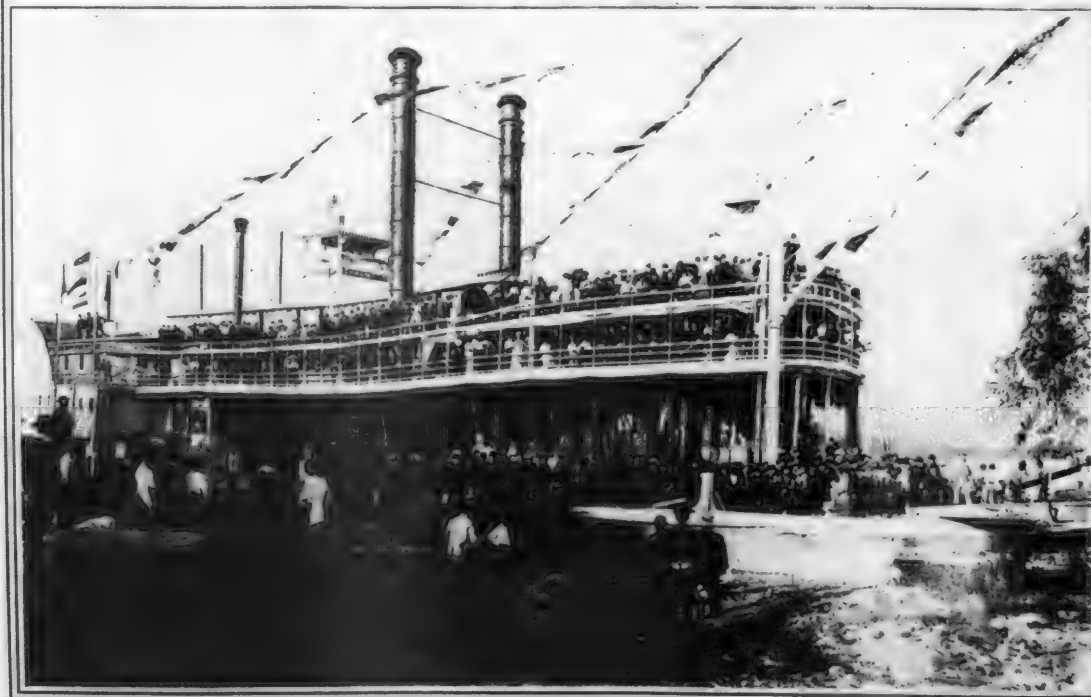
A JOLLY RIDE IN A CANE CART.—TENNISON.



IN THE CANE-FIELD (SECRETARY BRANCH ON THE RIGHT).—TENNISON.



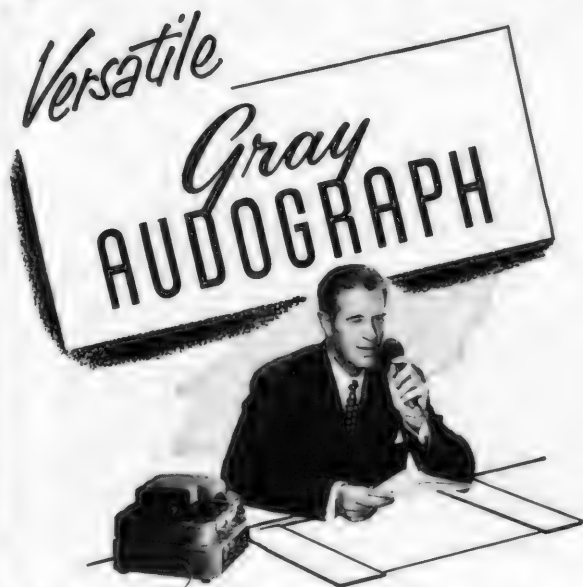
THE BANKERS' PARTY ON THE DECK OF THE "CHALMETTE".—TENNISON.



STEAMBOAT "CHALMETTE" TAKING THE BANKERS AND THEIR FRIENDS ON AN EXCURSION DOWN THE MISSISSIPPI.—TENNISON.

Now, Gray makes electronic dictation available
to every business and professional office, with

TWO MODERN DICTATION METHODS!



The completely modern dictating instrument that does more for you! Its patented principle of *disc recording with a stationary stylus* lets Audograph operate at any angle and under vibration—in car, train or plane. Records phone conversations, policy meetings, conventions. Takes 20-, 30- or 60-minute discs of paper-thin plastic which can be mailed, filed or used again. Get a free demonstration in *your* office!

The new "full control" method of telephone dictation—several people dictating to a centralized recording instrument. All the cost-saving advantages of a shared dictation network, *plus* privacy of dictation and full control over the recording unit! With AUDOGRAPH for heavy dictation and PHONAUDOGRAPH for staff-level dictation, you can now modernize dictation procedures *throughout your organization.*

A. B. A. MEMBERS

attending the Convention are cordially invited to inspect this equipment at Booths 13 and 14, in the Convention Hall.

AUDOGRAPH® and PHONAUDOGRAPH® sales and service in 180 U. S. cities. See your Classified Telephone Directory under "Dictating Machines." Canada: Northern Electric Co., Ltd. Abroad: Westrex Corp. (Western Electric Co. export affiliate) in 35 countries. Audograph and PhonAudograph are made by the Gray Manufacturing Company—established 1891—originators of the Telephone Play Station.

*TRADE MARK REG. U.S. PAT. OFF.



THE GRAY MANUFACTURING COMPANY
Hartford 1, Connecticut

Please send me your new free Booklet U-9—describing modern dictation methods, with facts on the Gray Audograph and PhonAudograph.

NAME _____

FIRM _____

TITLE _____

ADDRESS _____

CITY _____



*3 customers now served
in the time it took for 1*

BURROUGHS SENSIMATIC WINDOW POSTING MACHINE



At Chicago's South Shore National Bank, three customers now are being served at savings windows in the same time it formerly took to serve one. This startling improvement in efficiency was brought about by replacing more expensive machines with Burroughs *Sensimatic* window posting machines and, at the same time, changing from the Unit to the Dual posting plan.

The versatile new Burroughs Sensimatic accounting machine—with its exclusive sensing panel—saves time and expense on either the Unit or the Dual posting plan. It is easy to use, with automatic operations that speed posting, reduce errors and increase teller efficiency.

Why not call your Burroughs office and ask for complete information? You'll soon see how the Burroughs Sensimatic, with its moderate cost, can mean reduced operating expense and greater efficiency for *your* bank, too.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



A Trip Through the Educational Displays

JOHN J. McCANN

HOLLYWOOD would have the adjective for it—but we'll bridle our enthusiasm and simply say: the Educational Displays at the 78th Annual Convention will be "the biggest yet!"

It's a case of what's your problem, and a quick glance at the exhibitors' roster. Equipment for what department, supplies for what operation, special services to develop business or make managing more profitable—it's here and represented by qualified experts.

You will get an idea of the size and scope of the show when you register—the official A.B.A. registration and information desks will be located in Convention Hall with the Displays. That makes it convenient for browsing throughout the convention. There will be time to tour the booths before and after the general sessions and other functions scheduled at the Hall.

The exhibitors in some 84 booths prompt us to say the latchstring is out and welcome! You will never be importuned to buy, but you will be invited to see practical demonstrations of new equipment, materials, and services, or you'll find the answer to a vexing problem—for the time spent coming by.

Let's take a quick preview, no more than a peek, at the display units occupied by 51 of the top companies serving the interests of banking.

Starting at the numerical beginning (Booths 1 & 2) we have the BANK BUILDING AND EQUIPMENT COMPANY OF AMERICA (St. Louis) featuring the latest innovations in bank architecture with a pictorial

display showing interior and exterior views of new construction and modernization. The picture gallery also includes full-color Stereo-Realist three dimensional slides, and full color (16 x 20) projections of banking quarters which have adopted the newest features of design and functional layout. The banks represented have proved the old adage, "Modern quarters mean more business." Here you'll find the factual proof of gains in operating efficiency, work-flow economies, and increased business all due to sound architectural and operational planning. And, there's another attraction: a \$10,000 coin collection dating back to 1486 (six years before Columbus landed) which covers the history of western civilization in silver coin.

* * *

Move along now to Booths 3 & 4. Take the cue of the attendant who will invite you through the Magic Door. This is the STANLEY WORKS of New Britain, Connecticut, demonstrating full-scale models of the "in"

and "out" Magic Door units—the bank entrance that says "welcome" with automatic photoelectric and "magic carpet" controls. The customer approaching his bank finds the electronic doorman paying him the courtesy of a warm invitation to come in.

* * *

Here's Booth 5—THE CASCADE PAPER COMPANY of North Adams, Massachusetts. Here you will be introduced to a novel advertising medium which has been successfully employed by banks in large cities and small communities spread the country wide. It is bank-name imprinted advertising napkins, an item of popular household use which says in effect "this is my bank." Here also is an array of transparent world globes, possibly for eye-catching lobby and window displays.

* * *

Now Booth 6—HOME OF THE WEEK PLAN SERVICE of Providence, Rhode Island. This is a sales package designed to attract new customers for

A section of the Educational Displays at last year's Chicago convention



Is your bank heading for trouble?

"The rise of defalcations as the greatest single cause of bank failure has grave implications for deposit insurance.

"It has required the diversion of resources which were intended for other purposes. *More than that, it has revealed the inadequacy of resources which banks themselves have provided against such losses.*

"From the beginning of deposit insurance to the end of 1951, 106 insured banks have closed their doors because of defalcations.

"The 106 cases involved defalcations of almost \$15,000,000; fidelity bonds held by the banks and designed to protect them from this loss were *less than \$3,000,000.*"

— From a speech by H. Earl Cook, Director, Federal Deposit Insurance Corp., before the Independent Bankers Association

What's the status of *your* bank's fidelity protection?

Is it the latest and broadest form of coverage?

Does it adequately cover your loss exposure as measured by the number and amount of your deposits, your auditing procedures and other relevant factors?

Unless you can answer yes to both questions, you will be wise to call our local agent today and tell him you would like to have one of our specialists review your bonding program and advise you. This service won't cost you a penny and may be the means of saving you from a painfully expensive experience.

Remember, the FDIC insures only a bank's DEPOSITORS against losses resulting from defalcations. It does NOT reimburse stockholders. It does NOT restore capital funds. It does NOT lessen the need for adequate fidelity coverage.

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland



FIDELITY, SURETY AND BANKERS
BLANKET BONDS; BURGLARY AND
OTHER NEEDED FORMS OF INSURANCE

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

mortgage loans on new homes or repairs. You will get the first look at the newest "Home of the Week" master set of practical designs which satisfy the prospective home builder's needs and purse—an active addition for your mortgage department's library. Each design is available in kit-form containing blueprints, specifications, contract forms, lien releases, general release, change of contract, etc.—representing a composite manual of how and what to do for the new homeowner. There is a library of plan books of proven designs, with merchandising literature to develop a business-building program for mortgage lending.

* * *

Step next door—Booths 7 & 8, UNDERWOOD CORPORATION of New York. Here's a battery of the latest line of manual and electronic typewriters, Underwood Sundstrand adding, figuring, and bank posting machines. Take a minute to watch a demonstration of Underwood's "high speed plan" for special checking or low-activity accounts—this new system is being introduced to A.B.A. delegates for the first time. And across the way, you will be invited to study the "Post-to-Check Plan" adapted to the Sundstrand Posting Machine, and the "unit" and "dual" plans for posting depositors' checking accounts.

* * *

INVESTORS DIVERSIFIED SERVICES, INC. of Minneapolis in Booth 9 sets up an information headquarters on the operations and plans of this company. You will find here a manual of company activities revised and amplified especially for convention delegates. This brochure is supplemented with other information on affiliated and subsidiary companies. You will get the story of IDS face-amount investment certificates and participation certificates, as well as affiliated investment funds on which this company acts by contract, or as investment manager.

* * *

Booth 10—DOUGLAS - GUARDIAN WAREHOUSE CORPORATION is next door, ready to explain the operating economies of warehouse receipts as collateral security in industrial financing. D-G has service features of special interest to banks entering or
(CONTINUED ON PAGE 194)

BUSINESS BOOSTER Chrysler Airtemp *Comfort Zone*



AIR CONDITIONING

Refreshing indoor comfort can make a big difference in banking operations. It attracts new patrons, increases goodwill, makes employees more alert and efficient, reduces absenteeism. In short, it helps your business all around. That's why more and more successful bankers all over the nation are turning to Chrysler Airtemp Comfort Zone Air

Conditioning as a business booster. Efficient, compact Chrysler Airtemp "Packaged" Air Conditioners can be installed anywhere—in new buildings or old. Their initial cost is surprisingly low and upkeep is practically nil. What's more, the Sealed Radial Compressors in Chrysler Airtemp "Packaged" units carry an optional 5-year warranty. Call your dealer.


See our exhibit (Booths 56 and 59) at the A.B.A. Convention in Atlantic City, September 28-October 1

Chrysler Airtemp

AIR CONDITIONING • HEATING • COMMERCIAL REFRIGERATION

Airtemp Division of Chrysler Corporation, Dayton 1, Ohio

MAIL COUPON OR CALL YOUR DEALER TODAY (He's in the Yellow Pages)



Airtemp Division of Chrysler Corporation
P.O. Box 1037, Dayton 1, Ohio
Please send full details on Chrysler Airtemp Comfort Zone "Packaged" Air Conditioners. B-9-52

Name

Address

City Phone

Zone State

Learn more about MOBILE HOME financing

**VISIT THE TCMA EXHIBIT
AT THE ABA CONVENTION
BOOTH 77**

The Trailer Coach Manufacturers Association invites you to a special display on the financing of trailer coach homes. Members of the TCMA staff and the Banking Committee will be there to help you with valuable information on mobile housing and to explain TCMA's experienced counseling service to banks on the matter of trailer coach paper.



Members of the Trailer Coach Manufacturers Association are the leaders of the industry, pioneering improved designs, building dependably to high standards. The association is devoted to the advancement of every phase of trailering.

Trailer Coach Manufacturers Assn.

20 NORTH WACKER DRIVE, CHICAGO 6, ILLINOIS

VAULT OIL by

An Outstanding CLEANER and RUST PREVENTATIVE for Safe Deposit and Vault Doors!

Loading banks throughout the country acclaim Kensol Vault Oil because it will not show stain, even on white cloth! It's a big time saver, too... applied by spraying from plastic squeeze bottle. ALL KENSOL PRODUCTS ARE UNCONDITIONALLY GUARANTEED!

BRONZE OIL

METAL POLISH

Visit Our Booth No. 45 at the Atlantic City Convention — Sept. 28-Oct. 1

WRITE TODAY FOR FURTHER INFORMATION AND INTRODUCTORY OFFER TO: P. O. BOX 537, ALLENTOWN, PENNSYLVANIA

KENSOL CORP.
PETROLEUM PRODUCTS
for
BANKING INSTITUTIONS

MAIN OFFICE AND
MANUFACTURING LAB.
ALLENTOWN, PENNA.

Offices in Principal Cities

(CONTINUED FROM PAGE 192)

expanding in this field. D-G protects receipt holders through a fidelity bond covering each custodian or agent in charge of a warehouse. The company also carries legal liability insurance on the receipt-holder against all losses for which the warehouseman may be responsible. Their whole program of operation conforms with the uniform Warehouse Receipts Act.

* * *

GEORGE LA MONTE & SON—Booth 11 (across the aisle)—tells the story in blow-ups of familiar advertisements (featured in BANKING) on safety-paper, with a gallery of specimen bank checks which illustrate use in color and attractive format.

* * *

HERRING-HALL-MARVIN SAFE COMPANY of Hamilton, Ohio—Booths 12 & 15—introduces an improved stainless steel burglar-resistant drive-in window—a unit that incorporates a number of new automatic features designed to simplify transactions for the motor-bank customer. The new H-H-M modern bank counter unit has a motorized roll top, and drawer sections controlled by automatic locks, plus many other innovations. And, there's the latest H-H-M stainless steel night depository waiting to be demonstrated.

* * *

In the neighboring section—Booths 13 & 14—is GRAY MANUFACTURING COMPANY, New York, presenting its 1952 line of Audograph electronic dictation and transcribing equipment. The Audograph is the basic unit in the GRAY soundwriting system—an all electronic machine which records on wafer-thin, long-lasting plastic discs, up to one hour of dictation. GRAY also presents its new PhonAudograph telephone dictation system which enables multiple dictators to record through stations to a centralized recording unit.

* * *

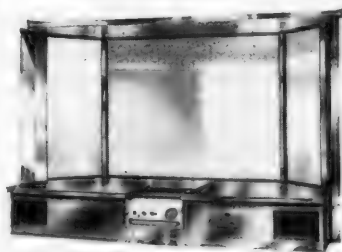
Across the aisle—Booths 16 & 21—is a striking display of coin banks, thrift devices, bronze and aluminum signs, nameplates and plaques—the well-known products of BANTHRICO INDUSTRIES, INC. of Chicago. It has a good story on using coin banks in business promotions that pay for themselves. There are many new items in the BANTHRICO coin bank lines. And here also is BAR-TWENTY

(CONTINUED ON PAGE 196)

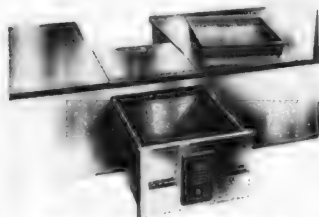
Herring Hall Marvin

IMPORTANT IMPROVEMENTS in DRIVE-IN WINDOW DESIGN

Featuring an exclusive-type
Sliding Drawer Depository with
Push-Button Control



Inside view, showing work top with cash drawers and storage spaces.



With stainless steel tray removed, the drawer will receive large bags or packages.



Outside view with drawer in closed position. Note clear vision afforded to both teller and customer.



The new window is available in three sizes: angular bay type, as shown in these photos—75" and 89" wide; flush type—42" wide.

See this unit on display at the A.B.A. Convention in Atlantic City or write for detailed information.

THE TELLER presses a button and the depository drawer slides out smoothly, noiselessly. Travel of the drawer is flexible, to make it easily accessible from all types of cars. Another press of the button and the drawer returns to normal position, with its full contents at the teller's fingertips. The automatic operation impresses customers and speeds up transactions. The drawer opening is practically draft-proof.



OTHER IMPORTANT H-H-M FEATURES

- **IMPROVED SOUND SYSTEM.** Latest-type two-way communication between teller and customer.
- **TELLER CONTROL.** Drawer operation is by push-button control, thereby eliminating operator fatigue. No lid to raise to gain access to the drawer contents.
- Removable stainless steel tray is supplied in top of drawer for normal deposits. The tray is removed for receiving bags or packages.
- **CLEAR VISION.** Bullet-resistive glass extends down to the counter top, giving customer full view of all transactions, giving the teller full view of approaching vehicles.
- Two cash drawers and two open storage spaces in each unit.
- Vertical columns and exterior of entire assembly constructed of bullet-resistive glass and stainless steel.

Herring-Hall-Marvin Safe Co.
HAMILTON, OHIO

BUILDERS OF THE U. S. SILVER VAULTS AT WEST POINT, N. Y.

CUMMINS HOLES- YOU-CAN-READ KILL CHECKS FOREVER!



Fastest known method of Positive Cancellation

Nothing's deader than a Cummins-canceled check. Look at one. The holes-you-can-read tell everybody: This check has been paid and can't be used again . . . you can't alter the holes!

And because Cummins high-speed electric perforators cancel 20 checks at a time, any one of your clerks can easily cancel 20,000 checks an hour. The savings you realize in time and money pay the cost of the machines many times over.

Unlike the old-fashioned method of ink-stamping, the holes you can't erase mean permanence, complete legibility, clarity and everlasting safety. No Skips . . . No Misses.

SEE
CUMMINS BUSINESS MACHINES
in action
At 78th Annual
A.B.A. CONVENTION
Convention Hall—Atlantic City
Sept. 28-Oct. 1
BOOTH NO. 39

IN BUSINESS AND BANKS SINCE 1887
Cummins
Cummins-Chicago Corp.
Chicago 40, Ill., Dept. B-92

YOU CAN'T ERASE A HOLE

(CONTINUED FROM PAGE 194)
ASSOCIATES, the exclusive licensees of the Hopalong Cassidy Savings Club Program now installed in more than 500 thrift institutions throughout the country.

* * *

You are invited to visit the POLAROID CORPORATION of Cambridge, Massachusetts, in Booth 17 and receive a mounted picture of yourself, compliments of BANKING. This is the camera with the built-in developing device—a snap of the lens, and presto! there's the finished print in a minute. This camera has practical applications in bank service on loan applications; it is an aid in real estate appraisal and property identification.

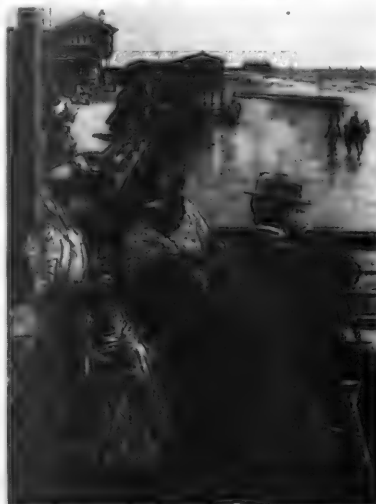
* * *

DELUXE CHECK PRINTERS, INC. of Chicago—Booth 18—invites you to study its sales and merchandising plan for a wide selection of personalized check packages. Attractive statement enclosures, lobby signs and package displays are offered free-of-charge in this merchandising plan. The plan is designed to supplement a bank's public relations, and produce operating benefits.

* * *

The Blue Book, final '52 edition—Booth 19—the *Bankers Directory* identifies RAND McNALLY & COMPANY (Bank Publication Division), Chicago. Delegates are invited to make use of the *Directory* as well as the current issue of the "Key to Numerical System of the A.B.A., with

The caption to this 1890 *Harpers' Weekly* picture was "Watching the Tide Come in at Atlantic City"



CULVER SERVICE

Check Routing Symbols." Here also is a display of methods and materials for the economical operation of Christmas, Vacation, and Tax clubs. See a demonstration of the new visible filing binder. And, before you leave, pick up your copy of the special convention issue of *Bankers Monthly*.

* * *

THE TODD COMPANY, Rochester, New York—Booth 20—exhibits for the first time anywhere its new individualized Bank Mark check paper made up into sample checks. Its features include an impression of the bank's insignia centered on each check, contrasting colors face and back, and processing which gives increased clarity, sharpness and contrast—a combination that spells attention value. Todd's new Karalux line of checkbook covers can be embossed with the same bank insignia used on the Bank Mark checks. There is also a display of personal money orders, and a demonstration of the Todd Imprinter for on-premises imprinting of pocket checks.

* * *

At the end of the adjoining aisle is TIFFANY STAND COMPANY of Poplar Bluff, Missouri—Booths 22 & 25. Here is a complete line of all-steel portable business machine stands featuring the Model "S" with the four-cup adjustable open top, retractable casters, and heavy iron castings forming the base and covering the casters. Here are the pan top stand, and other units for "stand up" working positions, adaptable for all types of business machines.

* * *

Booth 23 is a display of CHECKMASTER SYSTEMS, INC. (New York)—a complete line of personalized special checking programs including CheckMaster (free checkbook plan) and Chexcel (sell-the-book plan). Here you will have a demonstration of the HandiPrinter, an on-the-premises imprinting unit which does the job in book form, collated, stapled and bound. It imprints a bound book of checks in 30 seconds.

* * *

Meet THE NEW YORK TIMES in neighboring Booth 24. This display illustrates new facts revealing the high readership of statement-of-condition advertising. The readership ratings shown were measured by Daniel Starch & Associates, pioneers

(CONTINUED ON PAGE 199)



County lines don't hold water

To stop soil erosion and floods, conservation measures must be applied to an entire watershed.

Farmers in soil conservation districts begin at the roof of the drainage area and work downstream. They plant more trees and grass. They build terraces, strip crop, farm on the contour, use grass waterways, diversion ditches, dams and other water retarding and holding structures . . . established in proper relation to each other.

What are the benefits? Reduction in erosion and fewer floods. Less sediment damage to farm land . . . to city water, sewage and trans-

portation facilities. Increased farm production. Higher land value. Plus intangibles, such as recreation, pride in better farming and better living.

Does it pay in dollars and cents? The average annual return of an Illinois conservation program was \$3.59 in benefits for each \$1 spent. From 1940 to 1950 an Iowa watershed returned \$9.28 for each \$1 cost.

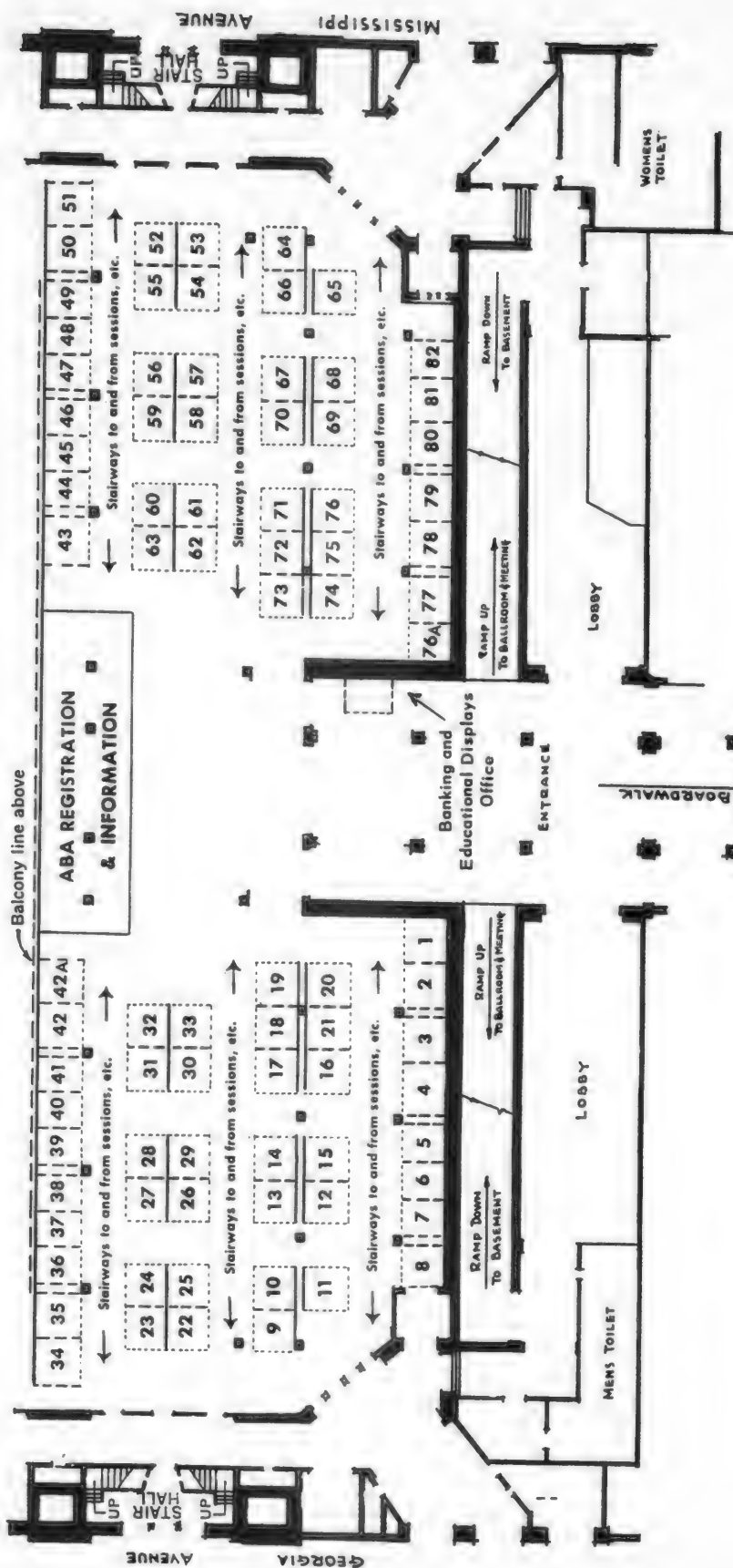
Get local proof! See the directors of your nearest farmer-managed soil conservation district for examples. And look at the whole watershed, because county lines don't hold runaway water.



ALLIS-CHALMERS

TRACTOR DIVISION • MILWAUKEE 1, U. S. A.

This plow turns furrows uphill to catch water, or works on the contour without leaving gully-making dead furrows. It's the new 2-bottom, 2-way, spinner-type mounted plow for the WD Tractor. Ask any Allis-Chalmers dealer to show you how this equipment gives more performance per dollar, making it a profitable purchase for the farmer — and sound business for the bank.



EDUCATIONAL DISPLAYS OF BANK EQUIPMENT, SERVICES, AND SUPPLIES IN ATLANTIC CITY CONVENTION HALL

Booth (s)	Booth (s)	Booth (s)	Booth (s)
1-2 Bank Building & Equipment Corpora-	44 Fidelity and Deposit Co. of Maryland	64 & 66 National Automobile Dealers Used Car	78-79 Charles Bruning Company, Inc.
3-4 The Standard Building Company	45 Kensol Corporation	Guide Company	80 United Weather-Towers, Inc.
5-6 The Standard Building Company	46 A. Rifkin & Company	67 & 70 Thomas A. Edison, Inc.—Ediphone	81 Weather-Towers Displays
7-8 Home of the Week Plan Service	47 Security Savings Systems, Inc.	Division	82 Abbott-Conner Company
9 Investors Diversified Services, Inc.	48 Wessell Corporation, Inc.	68 Bankers Development Corporation	
10 Douglas-Guardian Warehouse Corpo-	49 American Photocopy Equipment Com-	69 The American Perfector Company	
11 Gen. LaMonte & Son	50 pany	70 McGraw-Hill Publishing Company, Inc.	
12 & 15 Gerring-Hall-Marvin Safe Company	51 LeFevre Corporation	71-76 Woodbury Company, Inc.	
13-14 Gerring-Hall-Marvin Safe Company (Auto-	52 & 53 Monroe Calculating Machine Company,	77 Trailer Coach Manufacturers Associa-	
16 & 21 Banthrico Industries, Inc.	54 Inc.	tion	
17 Polaroid Corporation	55 Chrysler Corporation—Airtemp Div.	78-79 Charles Bruning Company, Inc.	
	56 & 59 Chrysler Corporation—Airtemp Div.	80 United Weather-Towers, Inc.	
	60-63 Burrumburgh Machine Company	81 Weather-Towers Displays	
	64-66 Burrumburgh Machine Company	82 Abbott-Conner Company	

(CONTINUED FROM PAGE 196)
in the scientific measurement of the
reading of advertisements.

* * *

Turn your attention now to the adjoining block—Booths 26 through 29—and the NATIONAL CASH REGISTER COMPANY of Dayton, Ohio. Attendants are ready to demonstrate National's modern mechanized equipment for every departmental job. Here's a battery of National's Class 41 bank teller's machine, the versatile Class 31 accounting machine, proof machines, savings machines, commercial posters, and Christmas savings machines—and several models of National adding machines.

* * *

Next door—Booths 30 through 33—MOSLER SAFE COMPANY, Hamilton, Ohio, sets up a full-scale operating model of its new fully automatic drive-in window. Check off the features: push button controls, bullet-proof, greater visibility, larger counter space, and lower installation costs. Play customer and see how it works; play teller and get the "feel" from the operating side. Mosler will also demonstrate the curbside "Snorkel," and other banking aids.

* * *

INTERNATIONAL BUSINESS MACHINES, New York, across the aisle—Booths 34 through 38—sets up its battery of newest model business machines demonstrating deposit accounting on the IBM punched card accounting unit. Here is the latest IBM proof machine with as many as 32 separate distributions, and combining four jobs of listing, sorting, proving and endorsing in a single operation. Here are time stamps and time recording equipment for document control, payroll and personnel records, safe deposit activity and many other applications. And, of course, the IBM executive typewriter now available in eight especially styled type faces, the decimal tabulator, and standard electric models.

* * *

CUMMINS BUSINESS MACHINES, Division of the Cummins-Chicago Corp.—Booth 39—displays and demonstrates a complete line of perforators and check endorsers and signers. Shown for the first time is the new Cummins super automatic feed for Model 270 endorsers. This unit accurately feeds, counts and stacks at the speed of 25,000 items

(CONTINUED ON PAGE 201)



*Miss Arlene Smith, Exchange
National Bank, Chicago, Illinois,
has this to say about the
TODD IMPRINTER:*

*"It's easy
to learn,
fun to run,
the work
doesn't get
monotonous."*

The Todd Imprinter not only helps sell more checking accounts and increase bank earnings, but employees like to operate it. The work is light, easy and pleasant. The operator can turn out a perfect checkbook *on time, every time*. The imprinting is neat.

Bank customers, bank employees, bank officers are enthusiastic about the work of the Todd IMPRINTER. To get the facts about this time-saving, profit-producing machine, mail the coupon now.



THE TODD COMPANY, Inc.,
Dept. B, Rochester 3, N. Y.

Please send me complete details about the
Todd Imprinter.

Name _____

Address _____

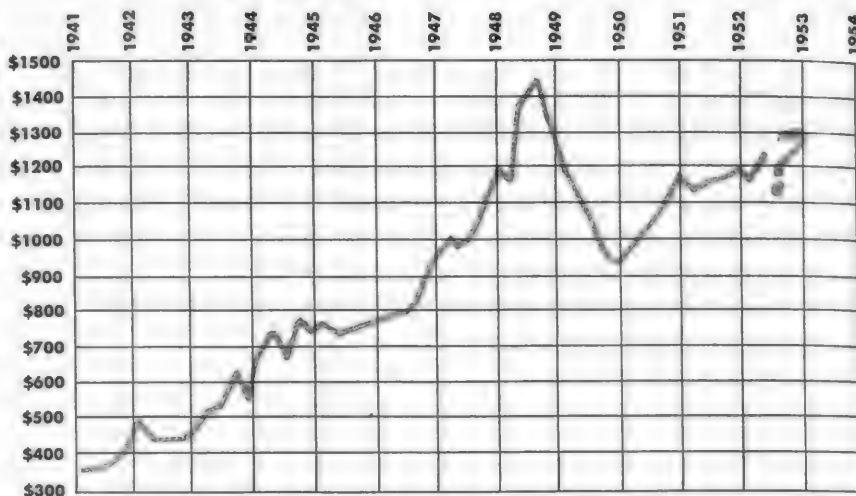
City _____ Zone _____ State _____

By _____ B-9-52

DISTRIBUTORS THROUGHOUT THE WORLD

how do
you
know
what a
car will
be
worth?

TREND OF AVERAGE USED CAR VALUES (all makes)



N. A. D. A. Official Used Car Guides will come to you every 30 days, wire-o-bound more than 250 pages quarterly . . . with supplements for the intervening months to keep you abreast of continuously changing facts and figures . . .

Annual subscription only \$7

Quantity discounts, of course

up-to-date average retail, average loan, and average "As-Is" values; current O.P.S. Ceiling Prices; insurance symbols; factory A.D.P. prices, motor and serial numbers, model identification and mechanical specifications plus average loan and average retail values on most trucks up to 16,000# G.V.W. and, that's not all! You get illustrated serial and motor number locations, identification data . . . everything you'll want to know!

Subscribe now! Write direct to:

NATIONAL AUTOMOBILE DEALERS USED CAR GUIDE COMPANY

1026 17th Street, N. W.

Washington 6, D. C.

(CONTINUED FROM PAGE 199)

per hour. Automatic inking systems are featured on the 250 and 270 endorers and signers. Another item of interest is the Cummins Mortgage and Consumer Credit Collection System designed to insure level payments, reduce delinquencies, and affect savings to liquidate the cost of equipment. Take a look, too, at the perforators validating signature and ledger cards for savings accounts.

* * *

Next—HARLAN L. SHATTUCK, Financial Display Advertising, Denver, Colorado—Booth 40. Here is a gallery of poster displays for window, counter or lobby use, in a variety of sizes (up to 26" x 40"), and a wide choice of display fixtures to harmonize with a bank's decor. Some displays are painted with Day-Glo—the miracle colors which produce a "neon-at-night" effect.

* * *

The new 1952 edition of ENCYCLOPEDIA BRITANNICA—Booth 41—is on view; it represents the most comprehensive revision in 25 years. EB Inc. has an unusual program spanning a 10-year period for delegates interested in the new edition. Attendants will explain.

* * *

Adjoining the official A. B. A. Registration and Information Desk are Booths 42 and 42-A—EILERT PRINTING COMPANY of New York. Here is an exhibition of the many applications of printed material in the fields of business, industry and finance. A section of this display will show the evolution of an A. B. A. public relations folder in all its stages from

rough concept to completed job. If a final supplemental Convention Registration List is required, you may see the job fed through Eilert presses in these booths.

* * *

On the opposite side of the A.B.A. central desk is Booth 43—R. L. POLK & Co., publishers of Polk's *Bank Directory*. The theme of this exhibit will emphasize the change in format style and other improvements introduced in 1952 editions—

HOW CRITICAL CAN YOU GET?

While browsing around one of our plants recently, we were quite critical of the design and appearance of the workbenches in the lithograph pressroom. We expressed the view that they were not sufficiently functional, nor did they present a streamlined, sparkling appearance.

With some considerable patience and restraint, the plant manager pointed out to us that (1) the benches were only three years old, (2) they were the same benches we had labeled "the last word" when they had been built, and (3) even if they were rebuilt according to current standards we probably would not be satisfied with them for more than a couple of months.

Such observations, despite their impact, we brush aside with the comeback that what is "tops" today may be outmoded tomorrow. To bear this out, only a few days ago we were photographing our latest workbenches, designed and built for our new Clifton plant, and just in

the short time that has intervened new materials have come on the market that make us wonder whether these unused units are up to snuff.

There was a time when a workbench was a bench, and as long as you could throw things on it and it didn't collapse, it was considered satisfactory. Not so today. Now a workbench is something that challenges the ingenuity of an industrial designer, a production procedure man with a lot of know-how, and a craftsman who can build it and finish it off so beautifully that you wish you could put it in the living room.)

While it may seem farfetched to attach such significance to an accessory like a workbench, we hold the view that a business must be properly balanced with respect to securing orders and executing them, and that in their execution the plant facilities must be properly balanced with respect to functional values. That is why we require up-to-the-minute accessories to use with up-to-the-minute machines and methods.



Manufacturing Plants at:

NEW YORK, PAOLI, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

"Mine bought six dresses last year in Chicago"



WE CORDIALLY INVITE YOU TO VISIT

BOOTH 6

If you are interested in increasing your Mortgage Portfolio for new homes or for home loan repairs.

At Booth 6 you will find a Complete House Plan Service to fit the needs of any size bank for:

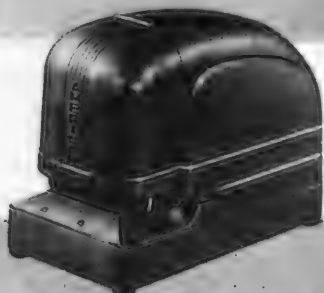
★ NEW HOMES

★ HOME LOAN REPAIRS

"Home of the Week" Plan Service

PROVIDENCE 6, RHODE ISLAND

the
"400"
PORTABLE
AUTOMATIC
CHECK
PERFORATOR



**SAVES MONEY
FOR BANKS**

- Perforates fast. Handles hundreds of checks per hour.
- Easily portable. About half the size of a typewriter, but ruggedly built for heavy-duty performance.
- Fully enclosed. Streamlined, safe and quiet.
- Completely automatic. Operator just feeds the machine. No fatigue problems.

You'll be amazed at the efficiency of the American "400". Canceling jobs that required hours will take minutes. The people who do those jobs can perform other duties. Records will be safe, too, because perforations mean permanence.

Whether your bank is large or small, the American "400" can save money for you by saving time. Let us send you a full description and list of satisfied users. Write us, won't you?

Visit BOOTH 69 at the ABA Show and see the "400" in action. Also see other models of American check perforators, coupon book cancelers and endorers — all designed to make your job easier.

THE AMERICAN PERFORATOR COMPANY
625 West Jackson Blvd. Chicago 6, Ill.

AMERICAN
PERFORATORS...SINCE 1910

Sales and Service in Principal Cities

the newest (September) issue will be on display to check your listings. And sport a carnation—with Polk's compliments! Each day visiting delegates and their wives will be presented with a different color flower.

* * *

FIDELITY AND DEPOSIT COMPANY OF MARYLAND—Booth 44—issues a standing invitation to all delegates to pick up their pocket-size convention notebooks; and if you should want another one or more during the convention, drop by and say how many. Note-taking makes a convention "click," so don't spare the pencils or the pads. Booklets containing calendars for 200 years also are available here.

* * *

Nextdoor is KENSOL CORPORATION of Allentown, Pennsylvania—Booth 45. This company manufactures a line of oils and polishes ranging all the way from a rust-preventive vault oil, metal polish, bronze oil, and wood polish—a maintenance item that keeps the bank spick and span. These products are manufactured from mineral, animal and vegetable oils and eliminate the greasy sticky residue usually attributed to these materials. Pick up a sample for testing. Kensol wants you to have a miniature plastic bottle of metal polish packaged especially for this show.

* * *

Step along now to Booth 46—A. RIFKIN & Co., Wilkes-Barre, Pennsylvania, specialists in the manufacture and design of coin bags. Here is an essential service item that becomes an advertising medium with individualized imprints of bank buildings, bank insignia and trademarks. Examine the samples of customer change bags produced for banks coast-to-coast. The Rifkin Safety Sac with the patented Arcolock night depository bag are items that eliminate key problems through use of a Yale fool-proof master-key system.

* * *

Booth 47—SECURITY SAVINGS SYSTEMS, INC., New Cumberland, Pennsylvania, invites your attention to the new Coupak coupon book and bank record system for savings club operations. The complete line of systems include Christmas, vacation, tax, and purpose clubs.

* * *

TRANSO ENVELOPE COMPANY, Chicago—Booth 48—has the answer to

envelope problems in standard and custom-made sizes. They are featuring the Transo Deposit-by-Mail for banks interested in a practical low-cost system. There are numerous samples of Transo one-piece window and windowless envelopes equipped with Trans-O-Pake inside tint for privacy, bank coupon envelopes—well, if it's in the envelope line, just name it.

* * *

Interested in filing systems? Next is the WASSELL ORGANIZATION of Westport, Connecticut—Booths 49 and 50. Watch the various models of "Rotor-File" demonstrated for record cards, correspondence, tabulating cards, and other uses. Check the speed of reference and increased production in rotary filing equipment. The "Corres-File" for correspondence is an unusual item.

* * *

Next you will be introduced to the revolutionary APECO Auto-Stat in Booth 51 by AMERICAN PHOTOCOPY EQUIPMENT COMPANY of Chicago. Auto-Stat gives you an exact dry photocopy reproduction of any type original in 45 seconds! It is a unit for copying checks, forms, and correspondence.

* * *

THE LEFEBURE CORPORATION (Cedar Rapids, Iowa)—Booths 52 & 55—sets up the complete posting unit now featured in national advertising. Under this plan, each bookkeeping station is a complete unit. Within easy reach, at one central position, operators can sort, post and file. Several combinations are available in posting units. One includes Lefebure's machine bookkeeping desk, Adjusto tray-binder and Hi-Lo Reference posting stand. Another utilizes the Magic Key Adjusto tray binder at the posting position in an insulated desk, with a lap posting tray attached to the machine.

* * *

Booths 53 & 54 house the MONROE CALCULATING MACHINE COMPANY of Orange, New Jersey. Here you will find a continuous demonstration of the Monroe equipment applied to commercial posting, savings, adding and calculating operations. You will want to see Monroe's newest unit designed for the expanding activities of your credit department—the Automatic Balancing Scheduling machine.

(CONTINUED ON PAGE 204)



It's here! New Bruning Copyflex 14

First desk-side machine for copying any size office form!

**Speeds Ordering, Invoicing, Production Control,
Accounting, Purchasing, Shipping, Reports!**

Now, for the first time, with the new Bruning COPYFLEX 14's greater width—20 inches—you copy *any* office form in seconds.

What time you save! COPYFLEX handles paperwork so much faster. *What efficiency you gain!* COPYFLEX eliminates wasteful manual copying, lets you use skilled employees for other duties. *What money you save!* COPYFLEX usually is the lowest cost way to quickly make 1 to 100 copies of practically anything drawn, written, typed or printed on ordinary translucent paper.

ONLY COPYFLEX 14—of all desk-side copying machines—gives you

- | | |
|---|--|
| <p>1. 20" width! Copies even large reports, or two ordinary forms simultaneously. Separates and returns originals automatically.</p> | <p>3. Copies even opaque originals or forms printed on both sides, using Bruning's exclusive Reflex Film.</p> |
| <p>2. No installation! No fumes, so no exhaust ducts are needed. The "14" is mobile, rolls to any work-site.</p> | <p>4. Unequalled combination of speed, volume, low-cost. Copies thousands of large or small, different originals daily, at an average cost of only 2¢ per sq. ft.</p> |



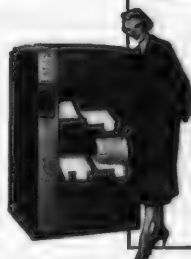
**Mail Now for full,
money-saving COPYFLEX story!**

Copyflex 14

Typical COPYFLEX users* reap savings!

1. COPYFLEX *saves* life insurance company \$100,000 yearly via loan processing system.
2. COPYFLEX *saves* hardware wholesaler \$15,000 annually via order-invoice system.
3. COPYFLEX *speeds* manufacturing, stops errors, for large metal fabricator via production control system.
4. COPYFLEX *saves* national merchandiser \$25,000 in six months by cutting clerical work in half, producing invoices on time.

*Names on request.



COPYFLEX 14 makes exact, error- and smudge-proof copies . . . delivered in seconds—flat, dry, ready-to-use. There are no masters or stencils, no inks to soil hands, no darkroom, no fumes, no special room lighting, no high-priced operators. Anyone can learn to copy in 5 minutes. Streamline your paperwork with COPYFLEX. Mail coupon to Charles Bruning Co., Inc. Teterboro, N. J.

— CHARLES BRUNING COMPANY, INC. —

Dept. W92, Teterboro, N. J.

- ☐ Send me free booklet on COPYFLEX 14.
☐ Show me COPYFLEX in action (no obligation).

Name..... Title.....

Company.....

Street.....

City..... State.....

— OFFICES IN PRINCIPAL CITIES —



now!

You CAN SEE IT!

Public Relations
WEATHER TOWER

See it at
Convention Hall
SEPT. 28th
78th Annual
ABA CONVENTION

Wherever installed...
All EYES are upon it!

Reports U. S. Official Weather to the community.
Performs an unexcelled public service.
See it at the Convention.

UNITED

(CONTINUED FROM PAGE 202)

AIRTEMP DIVISION of CHRYSLER CORPORATION, Dayton, Ohio, sets up a display of air conditioners and dehumidifiers in neighboring Booths 56 & 59. The packaged air-conditioner is completely self-contained, with sealed refrigeration, circulating blowers; it is ready for use upon connecting it with water and drain lines, and the electrical supply. Its flexibility makes it possible to relocate it or employ in multiple in the event of business expansion, remodeling and additions, or moving to another building. For moisture and dampness control, there's "Arid-Temp," a little unit for home or office that draws untreated air over a series of coils, cooling it, condensing the moisture into a drip-pan.

Recordak Bantam Microfilmer will catch your eye in the RECORDAK CORPORATION display in Booths 57 & 58. Requiring no more than four square feet of desk top space, the Bantam offers high speed microfilming and new film economies through higher photographic reduction ratios. Four easy interchangeable lens kits will give reductions from 19 to 1 up to 40 to 1. In the highest ratio a 100-ft roll of 16mm film will record 29,000 checks or 10,700 letter-size documents. The Bantam handles documents up to 11 inches wide. It has a built-in automatic feeder capable of running 500 checks per minute.

Now we're back to the island op-

"On the Porch of the Hotel Brighton During the Storm at Atlantic City" from *Harper's Weekly*, 1889



CULVER SERVICE

posite the Official Registration Desk walking through Booths 60 to 63—BURROUGHS ADDING MACHINE COMPANY, Detroit. You will be invited to witness several new and interesting applications brought about by recent research and product developments. Several of these applications will have their first public showing. Burroughs Sensimatics, commercial teller's and bank bookkeeping machines, and Bell & Howell microfilm equipment, including the new Endorser attachment will be displayed for inspection and demonstrations. You can get better acquainted with the full line of Burroughs adding machines and calculators, and see the new line of machine supplies.

THE NATIONAL AUTOMOBILE DEALERS USED CAR GUIDE COMPANY, Washington, D. C.—Booths 64 and 66—will feature a colored slide presentation depicting how the N.A.D.A. Official Used Car Guide is compiled from actual sales transactions reported by new and used car dealers throughout each area for which the Guide is designated.

FINANCIAL DISPLAYS, Chicago—Booth 65—has a multiple easel with hinged panels containing a wide variety of posters for window and lobby use covering every banking subject. This is a customized service built to a bank's specifications on size of unit, personal preference in copy and subject matter. A wide selection of frames and shadow-box units, standard or built to specifications, will illustrate the effect of poster advertising in the bank.

The Televoice System dominates the THOMAS A. EDISON, INCORPORATED, Booths 67 & 70. With Televoice, the dictator picks up a special phone located on his desk—and talks. His words are delivered instantly over the wire to his secretary for immediate typing. In this system, three, six or even 20 and more Televoice phones may be connected to an electronic recording unit—the Edison Voicewriter—placed on the secretary's desk, which may be located in the same department or floors away. This method enables one girl to handle correspondence for an entire staff. Simplicity of operation for both dictator and secretary is an outstanding Televoice advantage.

(CONTINUED ON PAGE 206)

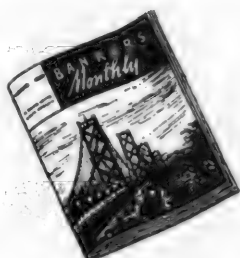
With **BANKS** and **BANKERS** it is
ready reference and daily service

for



BANKERS DIRECTORY

...the Rand McNally "Blue Book"... published continuously since 1872.



BANKERS MONTHLY

... the magazine that bankers read with interest and profit. Published since 1876.



KEY TO THE NUMERICAL SYSTEM

of the American Bankers Association with Check Routing Symbols... published since 1911.



CHRISTMAS CLUBS

... complete services to fit particular needs... with cost-saving features that are exclusive with Rand McNally.

Serving American Banks and Bankers since 1872

RAND MCNALLY & COMPANY, INC.

BANKING DIVISION

P. O. BOX 7366, CHICAGO 26, ILLINOIS • 111 NORTH AVENUE, NEW YORK 11, NEW YORK

PROTECT YOUR OFFICE MACHINES WITH THE WORLD'S FINEST STANDS

TIFFANY

precision-built
to last a
lifetime

Everything about Tiffany Stands suggests quality. Sturdy, heavy steel design; many exclusive features; attractive, baked-enamel finish.



MODEL "S"

Silent operation means less operator fatigue... increased efficiency. Non-slip protective heavy iron castings assure stronger, safer performance. Rigid construction guarantees longer life at lowest annual cost.

First choice of office workers and management everywhere...

Practically impossible to turn over; sturdiness gives a firm foundation for every type of office machine. Feet adjust for uneven floors... high or low drop leaf on either side saves important space. WRITE FOR LITERATURE.

On Sale at Better Dealers
Everywhere.

(Available with extra drop leaf on right side.)

TIFFANY
STAND CO.
POPLAR BLUFF, MO.

AT THE A.B.A. CONVENTION

You are cordially invited to visit us
at

BOOTH 9, CONVENTION HALL

and

To drop in for "OPEN HOUSE" at the Traymore,

September 28-October 1, Noon-10 P.M.

Investors **DIVERSIFIED SERVICES, INC.**

(CONTINUED FROM PAGE 204)

Two buttons on the Televoice station handle start-stop, playback, length and correction.

* * *

BANKERS DEVELOPMENT CORPORATION of New York—Booth 68—will demonstrate its principal service: "Thrifty Check no-minimum-balance checking account plan" and other plans for the development of profitable new business for various banking services. All are set up in complete packages with little or no investment to the bank. BDC will also demonstrate several styles of im printers for on-the-premise personalizing of depositors' checks. These units feature one-time composition of type and the permanent name-tube library.

* * *

And here's the AMERICAN PERFORATOR COMPANY, Chicago, next door in Booth 69. Walk in for a demonstration of the portable electric Model 400 perforator that zings out work with lightning speed. Step over and inspect the Model 50 of special interest to banks with, or contemplating, a large personal loan business. This unit perforates time payment coupon books. Then, the heavy-duty machine, rugged enough to handle a large volume over a 20-year period, but still delicate enough to be activated by a single check. And on this counter are the American Endorser and hand model perforators which complete the '52 line.

* * *

MCGRAW-HILL PUBLISHING COMPANY, New York—Booth 71—takes a look at advertising through the eyes of the banker, and the financial executive. This exhibit demonstrates the functions of sound business magazine advertising... with particular emphasis on advertising's role as *protector* of present markets—as a *builder* of new markets needed to absorb the output of the nation's enlarged production capacities—as a contribution toward the maintenance of a continuing profit on invested capital.

* * *

Two new products in Booths 72 through 76 are the highlights of the DIEBOLD, INC. (Canton, Ohio) display: The new deluxe Drive-Up counter announced in July, and a portable microfilm camera. Diebold lists some 30 specific features for

(CONTINUED ON PAGE 208)



HOW BANKS USE POLAROID PICTURES-IN-A-MINUTE TO SPEED APPRAISALS OF ANY PROSPECT

You SEE the finished picture just 60 seconds after you snap the shutter of the Polaroid® Land Camera. Anyone can use this camera and get good pictures, rain or shine. Set the shutter and lens with one simple control, focus and shoot. Then pull the tab, wait just 60 seconds, and pull the black and white, finished $3\frac{1}{4}'' \times 4\frac{1}{4}''$ print from the back of the camera. You know you have the picture BEFORE you leave the scene. No waiting.

You get a sharp picture with excellent detail to attach immediately to the appraisal report. Eliminate mix-ups and

waste . . . you don't have to finish the roll . . . you get each Polaroid picture—a completely finished print—just 60 seconds after you take it.

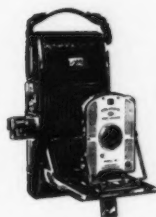
Today hundreds of banks all over the country use Polaroid Land Cameras. They have found that 60-second pictures speed processing of mortgages, win customer good will, and save time and paper work.

See the Polaroid Land Camera at your local camera store. Your dealer will be glad to demonstrate it and let you take a 60-second picture yourself.



New Lasting Beauty

for every Polaroid print.
Print Coater with each
roll gives permanent finish
for lasting protection.



Have your Polaroid picture taken
at the A.B.A. Convention
— Booth 17

POLAROID *Land* CAMERA

YOU'LL WONDER WHY YOU EVER WAITED!

Letterheads by Woodbury

see us at
BOOTH 76A

A. B. A. Convention
Convention Hall
Atlantic City, New Jersey

September 28th to
October 1st, 1952

GEORGE D. MURRAY
General Sales Manager
WOODBURY & CO., INC.
Worcester 5, Mass.

Direct Advertising

Month in and month out for more than a half century the Eilert Printing Company has been serving clients with uncommon ability and resourcefulness.

If you plan customer relation or personnel booklets, brochures, broadsides, folders, or if you buy printed material, visit booths 42 and 42-A, Convention Hall, Atlantic City, September 28-October 1.

EILERT
Printing Company, Inc.

318 WEST 39TH STREET
NEW YORK 18, N. Y.

(CONTINUED FROM PAGE 206)

both depositors and bank personnel incorporated in the drive-in unit. The new Flofilm camera, about the size of a portable typewriter, weighing only 20 pounds, will demonstrate its capability of handling jobs done by machines 10 times its size and weight. It has a daylight-loading film reel, completely motorized, handles work up to 11 inches wide by any length, and will give reductions 24X. In another section of this display, you will find Diebold's complete line of bank and protection equipment, office systems, microfilm equipment and hollow metal products . . . and many more.

* * *

See the familiar eagle emblem—that signifies WOODBURY AND COMPANY, INC., of Worcester, Massachusetts in Booth 76A. This company is famous for production of fine photogravure letterheads. The process reproduces on bond paper an exact photographic reproduction of a bank building, seal or other symbolic pictorial element, combining masterly drawn hand lettering.

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THE TRAILER COACH MANUFACTURERS ASSOCIATION (Chicago)—Booth 77—sets up an information headquarters for delegates interested in financing trailer coaches. Surveys conducted by this association indicate that trailer coach financing is not only profitable, but good risk financing. Representatives including the financial counsel are anxious to discuss any problem you may have relative to this type of financing. This parent association has done much in the past year through consultations with banks, trailer coach dealers and manufacturers, to broaden the financial base of the retail side of this industry.

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Next in line of displays are Booths 78 & 79—the CHARLES BRUNING COMPANY, INC., Teterboro, New Jersey, demonstrating practical applications for Copyflex machines. There is a new model No. 14, desk size, that reproduces copy up to 20 inches in width which accommodates almost any normal copying requirement. Copyflex Model 50 has a 46-inch printing surface which accommodates the customary 42" sensitized roll stock used when copying large sheets at a high rate of speed, or for multiple cut sheets inserted side by side. These units make error-



"He always comes in late—last year in Chicago and the year before in New York"

proof, smudgeproof positive copies of practically anything.

* * *

Have you been wondering what this colored neon tower in Booth 80 is all about? It is a miniature version of UNITED WEATHER TOWERS of Wisconsin. It is a "weatherstick" to perch atop your bank building, or erect on the side—it tells your town barometer readings by means of colored lights signifying changes on the way. This unique service is an attention-getting medium of advertising linked to a public service.

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Booth 81 says MARWELL-ROSS DISPLAYS, New York. This organization specializes in displays for financial institutions. You will see two unusual series that are adaptable to either window or lobby use—and they give all the appearance of custom-made units.

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ABBOTT COIN COUNTER COMPANY of New York—Booth 82—has a continuing demonstration of fast, rugged new models of counting, sorting, and change-making machines designed for bank operations. Over here is an array of other Abbott supply items—combination coin cabinets, bill and check sorters, all-steel security and bill boxes, wrapper and bill strap racks—specialty supplies that cover the field of handling and servicing bills and coin.

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And here we are, at the end of the run—but that's numerically speaking—there's no set plan for touring the displays. Start at Booth 82, or 41—and before you know it you will be making a date with yourself and friends to do the show.

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